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THE
COUNCIL OF STATE DEBATES

VOLUME I, 1935

(11th February to 17th April, 1935)



NINTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1935



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In Council of State Debates of the 11th February, 1935, Vol. I, page 14, in the answer to part (c) of question No. 26 in the first line for "findings" read "finding", in the second line for "Indians" read "India", and in the third line for "their" read "her".

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THE
COUNCIL OF STATE DEBATES
(OFFICIAL REPORT OF THE NINTH SESSION OF THE THIRD
COUNCIL OF STATE.)

VOLUME I—1935.

COUNCIL OF STATE.

Monday, 11th February, 1935.

The Council met in the Council Chamber of the Council House in New Delhi at Eleven of the Clock, being the first day of the Ninth Session of the Third Council of State, pursuant to section 63D (2) of the Government of India Act. The Honourable the President (the Honourable Sir Maneckji Dadabhoy, K.C.I.E., Kt., Bar.-at-Law) was in the Chair.

MEMBERS SWORN :

The Honourable Raja Ghazanfar Ali Khan (West Punjab : Muhammadan).
The Honourable Mr. J. N. G. Johnson, C.I.E. (Chief Commissioner, Delhi).
The Honourable Sir Bertrand Glancy, K.C.I.E., C.S.I. (Political Secretary).
The Honourable Mr. P. C. Tallents, C.S.I., C.I.E. (Finance Secretary).
The Honourable Mr. Jyotsnanath Ghosal, C.S.I., C.I.E. (Bombay : Nominated Non-Official).
The Honourable Mr. Mohammad Yamin Khan, C.I.E. (United Provinces : Nominated Non-Official).

QUESTIONS AND ANSWERS.

SALE OF PLATFORM TICKETS AT STATIONS OF THE EAST INDIAN, EASTERN BENGAL AND BENGAL NAGPUR RAILWAYS.

1. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA :
Will Government be pleased to state :

(a) The total amount that has been collected from the sale of platform tickets in the year 1933 at stations on the East Indian, Eastern Bengal and Bengal Nagpur Railways ?

- (b) Under what law this charge has been made ?
 (c) The total cost incurred in printing these tickets for 1933 only ?
 (d) The total cost incurred on the sale of such tickets ?

THE HONOURABLE SIR GUTHRIE RUSSELL :

	Rs.
(a) Bengal Nagpur Railway	9,677
Eastern Bengal Railway	26,408
East Indian Railway	1,43,456

(b) I would refer the Honourable Member to the Government of India, Public Works Department, Railway Traffic Circular No. XXXVII-Railway, dated the 20th December, 1883, published in the Supplement to the Gazette of India, dated 12th January, 1884.

	Rs.
(c) Bengal Nagpur Railway	154
Eastern Bengal Railway	600
East Indian Railway	3,100

(d) The cost of selling platform tickets cannot be computed separately but is negligible, as it does not necessitate the employment of any additional staff.

WITHHOLDING OF PETITIONS ADDRESSED TO HIGHER AUTHORITIES.

2. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Is it a fact that on the 11th June, 1925, the Master General, Supply, issued certain instructions to withhold the petitions addressed to higher authorities from subordinates relating to promotions and supersessions ? If so, do Government propose to place a copy of his instructions on the table of the House ? If not, why not ?

(b) Is it a fact that owing to those orders the Directors of Military, Dairy and Grass Farms are withholding all petitions, reasonable or unreasonable, from subordinates ?

(c) Is it a fact that in January, 1931, another order was issued for the withholding of all petitions relating to promotions and supersessions of subordinates like clerks, Indian overseers and supervisors of Grass and Dairy Farms ? If so, will Government be pleased to state the reasons for which the previous order has been superseded by this later order ?

(d) Do Government propose to place a copy of the same on the table of the House ? If not, why not ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : There is no record of such instructions having been issued. The rest of the question does not therefore arise, but I may add that officers of Army Headquarters deal with petitions in accordance with the general instructions issued by the Government of India.

DETENTION OF MR. SARAT CHANDRA BOSE, EX-ALDERMAN, CALCUTTA CORPORATION.

3. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Is it a fact that the Calcutta Corporation has adopted an unanimous resolution on the subject of the continued detention of Mr. Sarat Chandra Bose, an ex-Alderman, recommending that he be released or placed on trial in a competent court of law ? Do Government propose to release him or place him on trial in any competent court of law ? If not, why not ?

THE HONOURABLE MR. M. G. HALLETT : I understand that such a resolution was passed. The question of Mr. Bose's continued detention is examined every half year under the provisions of the Regulation. The Government of India have very recently examined the case and do not consider that he should be released at present.

If the Honourable Member will refer to the preamble to Regulation III of 1818, he will see that the cases coming within the purview of the Regulation are those in which trial is not contemplated.

THE HONOURABLE MR. P. N. SAPRU : Will Government be pleased to take the Members of this Council into its confidence in regard to the evidence in its possession against Mr. S. C. Bose ?

THE HONOURABLE MR. M. G. HALLETT : It will be impossible to give in a reply to a question a full statement of the evidence we have against Mr. S. C. Bose. As has been stated by the Honourable the Home Member in another place, he would be prepared, if occasion arose, to make known the reasons which have led Government to take this action against this gentleman.

THE HONOURABLE MR. P. N. SAPRU : How long has Mr. S. C. Bose been under detention under Regulation III of 1818 ?

THE HONOURABLE MR. M. G. HALLETT : From about February 10th, 1932, I think.

THE HONOURABLE MR. P. N. SAPRU : When do Government think they will be able to release Mr. S. C. Bose ?

THE HONOURABLE THE PRESIDENT : May I draw the Honourable Member's attention to the fact that these supplementary questions do not arise out of the reply given by the Honourable Member ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Will Government be pleased to state if they are going to take any steps after the Adjournment Motion passed in the other House ?

THE HONOURABLE MR. M. G. HALLETT : That question might, I suggest, Sir, more appropriately be asked in the other House. There is, I think, a question to that effect in the other House.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Are we to understand, Sir, that Government are not prepared to give an answer to the question in this House ?

[11TH FEB. 1935.]

THE HONOURABLE MR. M. G. HALLETT: Government made their position clear in the Lower House when the Motion for Adjournment was under discussion, and I have further made it clear in this House, that as far as the question of detention arises, Government are not prepared at present to release Mr. Bose.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Am I to understand that after the passing of the Adjournment Motion the present attitude continues?

THE HONOURABLE MR. M. G. HALLETT: Yes, Sir.

PAY, ETC., OF THE STATISTICIAN, IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

4. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE:** (a) Is it a fact that there is a Statistician on the staff of the Imperial Council of Agricultural Research? Is it a fact that the holder of this post was a teacher in a college prior to his appointment to this post?

(b) What was his pay in his old appointment? What initial pay was he given in his appointment under the Imperial Council of Agricultural Research?

(c) Is it a fact that since his appointment in the Imperial Council of Agricultural Research he has been given annually an increment of Rs. 50? What is his pay now? Is it proposed to give him further increments?

(d) Will Government please state what maximum pay has been fixed for the Statistician?

(e) Is it a fact that annual increments of Rs. 50 are attached to the time scales of the All-India Services?

(f) Is it a fact that recently the Statistician went on tour? What places did he visit? What was the cost of his tour? What was the necessity of such a tour? Are these tours done annually, monthly or periodically?

(g) What are the functions and duties of the Statistician, Imperial Council of Agricultural Research? Have Government considered whether those duties can be entrusted to the Department of Commercial Intelligence and Statistics?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:

(a) Yes.

(b) Part 1—Rs. 250.

Part 2—Rs. 450.

(c) No. He has drawn no increment since July, 1933. His present pay is Rs. 600, which is the maximum of the sanctioned scale.

(d) Rs. 600.

(e) Generally speaking this is so.

(f) Yes, to Calcutta. The expenditure involved was Rs. 149-10-6. He was required to discuss two statistical papers at the Indian Science Congress. He goes on tour when necessary in the discharge of his duties.

(g) As regards the first part, a statement is laid on the table. As regards the second, Government have not considered this question but the Statistical

Section under the Imperial Council of Agricultural Research was established after consultation with the Director General of Commercial Intelligence and Statistics.

Functions and duties of the Statistician, Imperial Council of Agricultural Research.

(i) The mathematical and statistical interpretation of the results of agricultural experiments with special reference to field experiments, yield trials, manurial experiments and the working up of other biological data.

(ii) To assist agricultural research workers, whether employed under Provincial Governments or on research schemes of the Council, in the proper planning and interpretation of field experiments.

(iii) The statistical examination of data connected with livestock.

(iv) To render general statistical assistance to the Imperial Council of Agricultural Research Department in the course of its work.

(v) To enquire into problems of agricultural statistics.

PROVISION OF TELEPHONES AT RESIDENCES OF ASSISTANT-IN-CHARGE, AGRICULTURE SECTION, AND THE STATISTICIAN, IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

5. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE:** (a) Is it a fact that the Assistant-in-charge of the Agriculture Section, and the Statistician, Imperial Council of Agricultural Research, have been provided with telephones at their respective houses?

(b) Are orders in force to the effect that the expenditure on telephones should be curtailed and reduced to the minimum?

(c) If the reply to (b) is in the affirmative, will Government please say what justification there is for installing telephones at the houses of the persons mentioned in (a).

(d) Is it a fact that there is no telephone at the house of the Actuary to the Government of India, or the Deputy Director, Commercial Intelligence and Statistics, at the headquarters of the Government of India?

(e) Is it a fact that Superintendents in the Education, Health and Lands Department hold gazetted rank, while the Assistant-in-charge of the Agriculture Section in the Imperial Council of Agricultural Research does not?

(f) Has any Superintendent in the Education, Health and Lands Department been provided with a telephone at his house? If not, what special justification is there for giving a phone at the house of the Assistant referred to?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:

(a) and (b). Yes.

(c) To get into touch with them quickly on official business outside office hours and on Sundays and closed holidays.

(d) and (e). Yes.

(f) No. Telephones are provided only when necessary.

[11TH FEB. 1905.]

INDO-BRITISH TRADE AGREEMENT.

6. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: (a) Is it a fact that an Indo-British Trade Agreement has been signed?

(b) If so, were the Chambers of Commerce consulted? If not, why not?

(c) Were any Indian merchants and businessmen in their individual capacity invited to give their opinion? If so, what are their names? If not, why not?

(d) Will this Agreement be brought before both Houses of the Legislature for ratification, and in case of either House disagreeing with the terms, will it be considered to be cancelled?

THE HONOURABLE MR. T. A. STEWART: (a) Yes, Sir.

(b) and (c). The general principles dealt with in the Agreement do not go beyond what has been explicitly or impliedly the policy of the Government of India for many years or what has directly or indirectly been accepted by the Indian Legislature. As no new departure in principle or practice was involved, Government did not consider it necessary to consult commercial or public opinion in the matter.

(d) The Honourable Member is no doubt aware that a Motion to take the Indo-British Trade Agreement into consideration was discussed in the Legislative Assembly on 29th and 30th January last. If there is a general demand, this House will be given a similar opportunity to discuss the Agreement. Denunciation of the Agreement is not a necessary corollary of an adverse vote in either or both Houses of the Legislature.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know what is the position of Government now that the other House has rejected this Agreement? Is the Government going to terminate it or not?

THE HONOURABLE MR. T. A. STEWART: The Government of India as at present advised do not propose to denounce the Agreement.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Do I understand that Government is not prepared to respect the wishes of the popular House on the eve of the introduction of so-called reforms.

THE HONOURABLE THE PRESIDENT: Order, order. I will not permit this question. It is more an argument than a question.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government be pleased to allot a day for the consideration of this important Agreement?

THE HONOURABLE MR. T. A. STEWART: I refer the Honourable Member to my answer to part (d). If there is a general demand this House will be given a similar opportunity to discuss the Agreement.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: There is a demand, Sir.

REQUEST BY THE JHELM DISTRICT BOARD THAT THE RAILWAY BRIDGE ON THE JHELM RIVER BETWEEN MALAKWAL AND HARANPUR STATIONS, NORTH WESTERN RAILWAY, BE MADE FIT FOR MOTOR TRAFFIC.

7. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Will Government be pleased to state whether a request was made some time ago by the District Board, Jhelum, to the North Western Railway that the railway bridge on the Jhelum River between Malakwal and Haranpur stations should be made motorable? If so, what action is contemplated in the matter?

(b) Is it a fact that alterations with a view to re-strengthen the bridge in question are to be taken in hand shortly? If so, does the North Western Railway propose to make the bridge fit for motor traffic?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) The Deputy Commissioner, Jhelum, who is also the President of the Jhelum District Board, had some correspondence on the subject with the Divisional Superintendent, Rawalpindi, but no reference from the District Board to the Headquarters Administration is traceable nor of any offer to pay for road facilities which may not be provided from railway funds.

(b) The bridge has no roadway but has only narrow footpaths on either side. The girders of the bridge are weak and cannot sustain a roadway nor take motors or other vehicular traffic over it.

An approximate estimate of the cost of re-girdering this bridge to take roadways, cantilevered outside the railway girders, was given to the Punjab Public Works Department, but the North Western Railway was informed that no road funds can be provided for this purpose. The scheme has, therefore, been confined to strengthening the bridge to meet railway requirements only which work will be taken in hand shortly.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: What will be the cost to the Railway Department if the bridge is made passable for motor traffic?

THE HONOURABLE SIR GUTHRIE RUSSELL: I am afraid I have not got the figures before me. In any case the Railway Department cannot pay for the cost of the roadway.

ATTACHMENT OF A PASSENGER CARRIAGE TO THE BALLAST TRAIN RUNNING BETWEEN HARANPUR TO CHUNOOWALA AND RAWAL (GHARIBWAL) STATIONS, NORTH WESTERN RAILWAY.

8. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Is it a fact that several representations have been made to the authorities of the North Western Railway by the public that a carriage for passengers should be attached with the ballast train which runs from Haranpur station to Chunooowala and Rawal (Gharibwal)? If so, do Government propose to grant this request?

THE HONOURABLE SIR GUTHRIE RUSSELL: The Agent, North Western Railway, states that no such representation has been received within recent years either in his office or in the office of the Divisional Superintendent, Rawalpindi. The line is closed for long periods during the year and is only

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opened from time to time when a ballast train is run to meet the requirements of the Public Works Department and the Railway. The reply to the latter part of the question is in the negative.

CONSTRUCTION OF A RAILWAY LINE FROM HARANPUR TO JALALPUR KIKNAN (JHELM DISTRICT) BY THE NORTH WESTERN RAILWAY.

9. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Do Government propose to ask the Agent, North Western Railway, to depute some officer to prepare an estimate for constructing a railway line from Haranpur to Jalalpur Kiknan (Jhelum district) and also to make enquiries whether such a scheme will be profitable?

THE HONOURABLE SIR GUTHRIE RUSSELL: This proposal has not yet come under examination, and I am sending a copy of the question to the Agent, North Western Railway, for his consideration.

CONSTRUCTION OF QUARTERS FOR MINERS EMPLOYED AT THE KHEWRA SALT MINES.

10. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Will Government be pleased to state whether it is contemplated to construct houses for miners in Khewra Salt Mine in a new locality? If so, what financial aid has been given in the matter by Government?

THE HONOURABLE MR. P. C. TALLENTS: The Government of India have sanctioned a scheme for the acquisition of a new site, measuring about 59 acres, from the Punjab Government to enable the Khewra miners to build houses and also at a cost of about Rs. 21,000 for the provision of sanitation and water supply. They have also sanctioned the grant of recoverable advances to the miners to the extent of Rs. 2,50,000 at $3\frac{1}{2}$ per cent. interest to assist the miners in building houses on the new site.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: In how many instalments will this amount be recovered from the miners?

THE HONOURABLE MR. P. C. TALLENTS: Sir, I must ask for notice of that question.

NUMBER OF OFFICERS OF THE SALT DEPARTMENT STATIONED AT KHEWRA.

11. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: What is the number of officers of the Salt Department stationed at Khewra? Do Government propose to provide funds for constructing a building for an officers' club and to make some annual grant for maintenance?

THE HONOURABLE MR. P. C. TALLENTS: There are six gazetted officers and 58 executive and ministerial subordinates at Khewra. In 1930-31 a contribution of about Rs. 1,900 was given towards the cost of providing facilities for the recreation of the staff in the form of tennis courts and playground. There was no proposal to construct a building for an officers' club at the place and in view of the continued need for economy, it is not possible to provide such a building or to give any recurring financial aid for the purpose.

NUMBER OF VICEROY'S COMMISSIONED OFFICERS HOLDING THE INDIAN ARMY SPECIAL CERTIFICATE OF EDUCATION, ETC.

12. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state the number of Viceroy's commissioned officers below 40 who have obtained the Indian Army Special Certificate of Education?

(b) How many of them have been given the King's Indian commission?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The information is not available and its collection would involve an amount of time and labour which would be incommensurate with the result.

The number however of Viceroy's commissioned officers of all ages who have obtained the Indian Army Special Certificate of Education is 121.

(b) In the first batch of graduates to be commissioned from the Indian Military Academy there were three ex-Viceroy's commissioned officers who held the Indian Army Special Certificate of Education.

NUMBER OF INDIAN OFFICERS HOLDING KING'S COMMISSIONS IN THE ARMY EDUCATIONAL CORPS.

13. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state the number of Indian officers holding the King's commission employed in the Army Educational Corps?

(b) What is the total strength of the Army Educational Corps?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The Army Educational Corps is a unit of the British Army and cannot therefore be Indianized as such. There are however 44 Indians holding Viceroy's commissions, who are employed on educational duties. The manner in which Indian commissioned officers will be so employed is under consideration, but it will obviously take several years before these new young officers are ready for such employment.

(b) The total strength in India and Burma is 149.

NUMBER OF INDIANS EMPLOYED IN THE INDIAN ARMY ORDNANCE CORPS.

14. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state the number of Indians employed in the Indian Army Ordnance Corps?

(b) If no Indians are employed in the Corps, will Government be pleased to state the reason for their exclusion?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) About 9,000.

(b) Does not arise.

ELIGIBILITY OF VICEROY'S COMMISSIONED OFFICERS FOR APPOINTMENT AS QUARTERMASTERS OF BATTALIONS.

15. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state whether officers holding the Viceroy's commission are eligible for the position of quartermasters of battalions? If not, why not?

(b) Is it a fact that in training battalions of Indian regiments the quartermasters are recruited from among qualified British non-commissioned officers?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) No. The appointment is one which demands a higher training and education than is normally possessed by the Viceroy's commissioned officer.

(b) Fully qualified British warrant officers are eligible for consideration for such appointments.

THE HONOURABLE MR. P. N. SAPRU: Has the British warrant officer a higher standard of education than the Viceroy's commissioned officer?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Yes, at present distinctly.

THE HONOURABLE MR. P. N. SAPRU: Is it a fact that the Viceroy's commissioned officers are sometimes made King's commissioned officers and if they are good enough for King's commissioned officers, how are they not good enough for the position of quartermasters of battalions?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: They are not given King's commissions until they have in fact passed the First Class Certificate of Education.

NUMBER OF VICEROY'S COMMISSIONED OFFICERS AND INDIAN OTHER RANKS WHO HAVE HAD AN UNIVERSITY EDUCATION.

16. THE HONOURABLE MR. P. N. SAPRU: Will Government be pleased to state the number of men who have had a university education in:

(a) Non-commissioned ranks, and

(b) Among those who hold the Viceroy's commission in the Indian Army?

HIS EXCELLENCY, THE COMMANDER-IN-CHIEF: The information is not available and its collection would involve an expenditure of time and labour which would be incommensurate with the value of the results.

STANDARD OF, AND NUMBER OF INDIANS HOLDING, THE INDIAN ARMY SPECIAL CERTIFICATE OF EDUCATION.

17. THE HONOURABLE MR. P. N. SAPRU: (a) What is the standard of the Indian Army Special Certificate of Education?

(b) How many Indians have so far passed this examination?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The Indian Army Special Certificate of Education is roughly the equivalent of the Matriculation certificate of an Indian University.

(b) 727.

NUMBER OF INDIANS IN THE VARIOUS BRANCHES OF THE MILITARY ENGINEERING SERVICES, ROYAL TANK CORPS, ETC.

18. THE HONOURABLE MR. P. N. SAPRU: (a) What is the number of Indians in the various branches of the Military Engineering Services?

(b) Will Government be pleased to state the number of Indian soldiers and officers in the Royal Tank Corps?

(c) Is it a fact that recruitment to the Royal Navy is confined to a few districts in the Punjab?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) 1,769.

(b) None.

(c) No.

THE HONOURABLE MR. P. N. SAPRU: In regard to (b), why is there no Indian in the Royal Tank Corps?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Because the Royal Tank Corps is a branch of the British Service and not the Indian. There is so far no Indian Tank Corps.

PROVISION OF FANS IN THIRD CLASS CARRIAGES.

19. THE HONOURABLE MR. P. N. SAPRU: (a) Has it been represented to Government that the third class travelling public is much inconvenienced on account of there being no fans in third class compartments?

(b) Do Government propose to provide fans in these compartments?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) and (b). The attention of the Honourable Member is drawn to the question and answer No. 752 in the Legislative Assembly on 7th September, 1933.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Are all Continental railway trains in Europe fitted with heating and cooling apparatus? If so, why is it not possible to have those installations in all Indian railway trains?

THE HONOURABLE THE PRESIDENT: How does this supplementary question arise from the Honourable Member's reply?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: It appertains to the fan system.

KENYA LAND ENQUIRY COMMITTEE REPORT.

20. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state the action, if any, taken in regard to the Kenya Land Enquiry Commission Report?

(b) Have Government received information that the recommendation of the Carter Commission that the highlands should be reserved for Europeans has caused much dissatisfaction among Indians resident in Kenya?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:

(a) Representations are being made to His Majesty's Government.

(b) The reservation of the highlands for persons of European descent is not a recommendation of the Kenya Land Commission. It is part of the policy of His Majesty's Government as laid down in the White Paper (Cmd. 1922) of 1923. Government are aware of the feelings of the local Indian community in Kenya in regard to this matter.

THE HONOURABLE MR. P. N. SAPRU: Has not the Carter Commission endorsed the policy of the White Paper?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: That does not make it easier to attain the object the Honourable Member has in view.

NUMBER OF RED SHIRT PRISONERS AND THOSE CONVICTED UNDER SECTION 124A OF THE INDIAN PENAL CODE.

21. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state the present total number of Red Shirt prisoners?

(b) Will Government be pleased to state the number of political prisoners convicted of offences under section 124A?

THE HONOURABLE MR. M. G. HALLETT: (a) Eighteen.

(b) I regret I have only this information with reference to persons convicted since 1932 and not prior to last year, but I trust it will meet the Honourable Member's requirements. So far as I am aware, of the persons convicted since that date under section 124A of the Indian Penal Code, only 35 are undergoing imprisonment at present.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Is it possible for the Honourable Member who has just replied to give us an idea of such political prisoners province by province?

THE HONOURABLE MR. M. G. HALLETT: I have the information available. I am prepared to show the Honourable Member this statement after the Council adjourns this morning.

INDO-BRITISH TRADE AGREEMENT.

22. THE HONOURABLE MR. P. N. SAPRU: (a) Is it a fact that Indian commercial opinion was not consulted at any stage in regard to the Indo-British Trade Agreement?

(b) Was British commercial opinion taken into consultation by His Majesty's Government in regard to this Agreement?

(c) Will Government state the reason for ignoring Indian commercial opinion?

THE HONOURABLE MR. T. A. STEWART: (a) and (c). I would refer the Honourable Member to the reply given today to question No. 6.

(b) Yes, Sir.

THE HONOURABLE MR. P. N. SAPRU: Has the attention of the Honourable the Commerce Member been drawn to the statement of Mr. Clare-Lees that the Agreement represents an advance over the present position?

THE HONOURABLE MR. T. A. STEWART: Yes, Sir.

THE HONOURABLE MR. P. N. SAPRU: Will the Honourable the Commerce Member say whether he agrees with that statement of Mr. Clare-Lees?

THE HONOURABLE THE PRESIDENT: That is a mere matter of opinion and I will not permit it.

REPRESENTATIONS FROM THE SUGAR INDUSTRY IN REGARD TO THE IMPORT DUTY ON SUGAR, ETC.

23. THE HONOURABLE MR. P. N. SAPRU: (a) Have Government received any representations from the sugar industry of India in regard to the import duty on sugar?

(b) What steps, if any, do Government propose to take to help the Indian sugar industry in successfully competing with Javanese sugar?

THE HONOURABLE MR. T. A. STEWART: (a) Yes, Sir.

(b) The representations are receiving the consideration of the Government of India.

TERMS ON WHICH THE LONG TERM CONCESSION WAS GRANTED TO IMPERIAL CHEMICALS, LTD.

24. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state the terms on which a long term concession to the Imperial Chemicals, Ltd., has been granted for the purpose of exploiting salt and lime sources in India?

(b) Have the Government of India signed any agreement in regard to waste materials from salt mines at Khewra also?

THE HONOURABLE MR. P. C. TALLENTS: (a) and (b). Two separate agreements have been negotiated in connection with the Company's proposal to erect an alkali factory, one with the Punjab Government dealing with supplies of limestone within a certain limited area near Dandot, and one with the Government of India dealing with supplies of waste salt, brine, etc., from the Khewra salt mine and from the area covered by the agreement with the Punjab Government.

The agreement with the Government of India provides for a five-year option to the Company to take up a fifty-year concession for the exclusive right to obtain the salty material in question for use in the factory, subject to the safeguarding of the interests of the Government of India and of an already established industrial concern engaged in the production of refined table salt.

The agreement has not yet been signed.

REDUCTION OF COAL FREIGHTS.

25. THE HONOURABLE MR. P. N. SAPRU: Have Government received any representations from the United Provinces' Merchants Chamber in regard to the reduction of coal freights? If so, will Government further consider the desirability of including within the scope of the special examination of the Railway Board the question of reducing coal freight from the Bengal coalfields to Cawnpore also?

THE HONOURABLE SIR GUTHRIE RUSSELL: Yes. Government have decided to modify the surcharge on railway freights for coal from 1st April next, by altering the basic percentage of the surcharge from 15 per cent. to 12½ per cent. and subjecting it to a maximum of one rupee per ton.

CAPITATION CHARGES.

26. THE HONOURABLE MR. HOSSAIN IMAM: Will Government kindly state whether it is a fact that before the war the demand for capitation charges did not include the following items of expenditure: Hospital—Dental charges—Royal Army Service Corps Services—Chaplains—Army Education—Physical Training Staff—Military Police?

(b) Will Government kindly state the date when the War Office for the first time demanded payment for these items?

(c) Will Government please state whether they have accepted these demands? If so, on what date? If not, what are the facts?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b). Payments on account of some of these items were demanded as early as 1908, but a combined claim for all of them was first received during the period 1926-28.

(c) Government accepted last year the findings of the Garrao Tribunal that the basis of calculating the capitation rate should be that Indians should pay their share of the costs of recruiting and training in proportion to the numbers of the British Army on the Indian establishment. By accepting this basis, they implicitly accepted a share of the charges referred to by the Honourable Member.

THE HONOURABLE MR. HOSSAIN IMAM: I wanted to know if the Government was paying the demands under section (a) before the war?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I should like notice of that question, Sir.

IMPORTS OF PROTECTED STEEL GOODS.

27. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the amount (weight) of steel goods of different categories (protected) imported into India in each quarter of the present year from Great Britain and the rest of the world? Will Government please state the amount of custom duty collected from preferred and non-preferred steel goods (protected)?

THE HONOURABLE MR. T. A. STEWART: Information regarding monthly imports of protected steel goods is published in the *Indian Trade Journal*, copies of which are in the Library of the Legislature. In particular, the Honourable Member is referred to the issues of the *Journal*, dated the 16th August, 15th November and 13th December, 1934 and 24th January, 1935. The figures for December, 1934 are not yet published.

Information regarding customs duty collected from preferred and non-preferred steel goods by which I assume he means steel goods subject to preferential and non-preferential duties is contained in Table VI of the monthly Accounts relating to the Sea-borne Trade and Navigation of British India and the Honourable Member is referred to the issues for the months of June, September and December, 1934. Copies of the monthly Accounts are also in the Library of the Legislature.

INTEREST ON WAYS AND MEANS ADVANCES DURING 1934-35.

28. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the amount of money paid each month as interest on Ways and Means Advances during the year 1934-35?

THE HONOURABLE MR. P. C. TALLENTS: I regret that I am unable to disclose the amount of money paid each month as interest on Ways and Means Advances as explained by my predecessor in reply to the Honourable Member's question No. 47 of 13th August, 1934.

THE HONOURABLE MR. HOSSAIN IMAM: Can the Honourable Member give us the total amount of the current financial year?

THE HONOURABLE MR. P. C. TALLENTS: No, Sir, I regret I am not in a position to do so.

ELECTIONS FOR THE COUNCIL OF STATE.

29. THE HONOURABLE MR. HOSSAIN IMAM: Will Government please state whether they intend to hold elections for the Council of State this year? If so, when? If not, why not?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: The question has not hitherto been even considered.

THE HONOURABLE MR. HOSSAIN IMAM: Do I take it that the Government has no intention of holding the election this year then?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: It is for the Honourable Member to draw his own inference.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May we understand that Government will decide the question before the end of this session?

THE HONOURABLE THE PRESIDENT: Well, that does not require an answer. I suppose the Government has to decide one way or the other.

THE HONOURABLE MR. HOSSAIN IMAM: We wanted to know when the Government would decide—about what time?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: I wish I could understand why Honourable Members are so anxious to have the Government's decision. What is the object?

STERLING HELD BY THE GOVERNMENT OF INDIA ON 31ST DECEMBER, 1934.

30. THE HONOURABLE MR. HOSSAIN IMAM: Will Government please state the total amount of Sterling held by the Government of India on 31st December, 1934, and the accounts for which held, and the forms in which invested?

THE HONOURABLE MR. P. C. TALLENTS: The sterling balances held by the Government of India on the 31st December, 1934 were divided between (1) the Home Treasury Balances, (2) the Paper Currency Reserve, and (3) the Gold Standard Reserve.

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The Home Treasury balances were held partly in cash and partly in Treasury bills, the details of which will be published shortly in the Gazette of India. The Paper Currency Reserve balances were all held in the form of securities the details of which were published in Part II of the Gazette of India, dated the 12th January, 1935.

The form in which the Gold Standard Reserve balances were held was published in the same Gazette.

STATEMENTS LAID ON THE TABLE.

REDUCTION IN DEFENCE EXPENDITURE AND PACE OF INDIANIZATION.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I lay on the table the information promised in reply to question No. 90, asked by the Honourable Sir Phiroze Sethna on the 14th August, 1934.

Statement re reduction in Defence Expenditure and pace of Indianization.

As regards (1), Government have nothing to add to the Memorandum on the Defence Estimates for 1933-34, dated the 27th February last prepared by the Financial Adviser, Military Finance, which was distributed to Honourable Members with the Budget Estimates.

2. With reference to (2), the following information is furnished:

A.—ARMY.

(1) The accepted policy at present is to Indianize the units of the equivalent of one division of all arms (including ancillary services) and one cavalry brigade. This will entail the Indianization of certain existing units and the raising of new units of various other arms of which no Indian units now exist.

(2) As regards existing units, a certain number have been earmarked for Indianization. At present there are 112 Indian King's commissioned officers serving in these units, and it is anticipated that 20 more who are undergoing their period of attachment to British units will join their regiments this year and a further 11 next year. This will exhaust the Indian officers trained at Woolwich and Sandhurst. The further officers required to complete the Indianization of these units will be cadets from the Indian Military Academy at Dehra Dun.

(3) The formation of the 1st Field Brigade of the Indian Regiment of Artillery will take place about January, 1935 when this unit will take the place of a Brigade of the Royal Field Artillery which is proceeding to the Imperial establishment. On its formation, two Indian King's commissioned officers who are at present attached to units of the Royal Artillery in India and another who will shortly be so attached, will be transferred to the Indian Brigade together with the nucleus Indian personnel who are at present attached to a brigade of the Royal Field Artillery for training. British officers of the Royal Artillery will be attached to the unit to complete its cadre, and will be replaced gradually by Indian commissioned officers as they become available.

(4) It has been decided to Indianize three Field Companies of Sappers and Miners in the first place, and this will be followed by the Indianization of one Divisional Headquarters Company and one Field Troop. Eight Indian King's commissioned officers intended for this arm are now undergoing training in the United Kingdom. The first of these will join one of the Field Companies mentioned in January next in replacement of a British subaltern, to be followed by others as their training is completed. Thereafter cadets commissioned from the Indian Military Academy will be posted to these units.

(5) The Indianization of the 4th Indian Divisional Signals has commenced with one Infantry Brigade Signal Section and the despatch riders of that unit.

(6) As regards Corps and Departments, Indians holding the qualification of M.R.C.V.S. will shortly be recruited for the Indian Army Veterinary Corps instead of further British officers being obtained for the continuous service cadre of the Royal Army Veterinary Corps. The transfer of British other ranks to the Indian Army Service Corps has been discontinued and Indian personnel is being posted to that corps instead. In the Indian Army Ordnance Corps one vacancy in four formerly filled by British other ranks is now being given to an Indian.

B.—INDIAN AIR FORCE.

The first unit of the Indian Air Force was formed at Karachi on the 1st April, 1933. It consists of a nucleus of squadron headquarters and one complete flight of four aircraft. The necessary minimum number of British officers and airmen has been attached to the unit from its formation. At present four Indian officers of the General Duties Branch and one of the Stores Branch are serving with the unit, while three officers intended for the Indian Air Force are attached to Royal Air Force units in England for training. Five cadets are now at the Royal Air Force College, Cranwell, and two more are proceeding there in September next. The training of apprentice mechanics and other classes of airmen is proceeding, and over 60 airmen personnel are now on the strength of the first squadron.

C.—ROYAL INDIAN MARINE.

The present basis of recruitment is in the ratio of one Indian officer to two British. Since the reorganization of the Service in 1928, 14 Indian cadets have been accepted, three of whom are now serving, the remainder being under training in the United Kingdom.

3. For further details as regards Indianization generally, I would refer the Honourable Member to the "Summary of Important Matters connected with the Defence Services in India, 1933-34" which has been distributed to all Members of the Legislature.

BILLETING OF TROOPS IN THE GOVERNMENT INTERMEDIATE COLLEGE HOSTEL, DACCA.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I lay on the table the information promised in reply to question No. 183 asked by the Honourable Mr. Jagadish Chandra Banerjee on the 3rd September, 1934.

Statement re billeting of troops in the Government Intermediate College Hostel, Dacca.

(a), (b) and (c). The Honourable Member is under a misapprehension as regards the quarters erected for the troops at Dacca. They are not barracks of a permanent or substantial nature, but temporary buildings, constructed largely of wood and matting. A tornado completely destroyed two such buildings and damaged others, and this necessitated the immediate provision of accommodation for about 200 men, who could not during the monsoon season live in tents. It was for this reason that the Local Government permitted the use of the College Hostel for the accommodation of troops. The Hostel will be required for the purpose until new buildings have been constructed and the damaged buildings repaired, but probably not longer than the 30th November, 1934.

(d) The total cost of construction of the buildings used as barracks at Dacca was Rs. 3,14,000. In view of the answer to (a), (b) and (c), the other questions do not arise.

(e) The Hostel is the property of the Local Government who have not charged any rent for it.

(f) The Muslim students have been accommodated in the Muslim Hall of the Dacca University, and the Hindu students in the Jaganath Hall.

SUGAR EXCISE DUTY REALIZED FROM SUGAR FACTORIES.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I lay on the table the information promised in reply to question No. 23 asked by the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra on the 8th August, 1934.

Information re sugar Excise Duty realized from sugar factories.

(a) Amount of sugar excise duty realised during April, May and June, 1934—Rs. 6,22,745.

(b) Amount accrued during that period—Rs. 11,71,350.

(c) Rs. 2,533.

ASSAMESE CLAIMS IN THE POSTAL DEPARTMENT.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, I lay on the table the information promised in reply to question No. 82 asked by the Honourable Mr. H. P. Barua on the 13th August, 1934.

Statement re claims of Assamese in the Postal Department.

Government have ascertained that of the four newly appointed clerks referred to in the article in question, one is a genuine Assamese and the remaining three are Bengalis. These Bengali candidates were enlisted as approved candidates for employment in the Department prior to November, 1931, with the special sanction of the head of the circle, because suitable Assamese candidates were not then available. The rules of the Department already provide for the recruitment of candidates from within the revenue division and it is only when suitable candidates are not available within the revenue division that outsiders are permitted to be taken under the special sanction of the head of the circle. In the circumstances Government do not consider that any action is called for.

NUMBER OF PERSONS CONVICTED UNDER SECTIONS 124A AND 153A FOR OFFENCES IN CONNECTION WITH THE CIVIL DISOBEDIENCE MOVEMENT WHO HAVE BEEN RELEASED PREMATURELY.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I lay on the table the information promised in connection with the reply to question No. 104 asked by the Honourable Mr. P. N. Saprú on the 18th August, 1934.

Statement showing the number of persons convicted under sections 124A and 153A for offences in connection with the civil disobedience movement who have been released prematurely.

Province.	Releases.		Total.
	124A., I. P. C.	153A., I. P. C.	
United Provinces	3	..	3
Bihar and Orissa	..	..	..
Delhi	..	..	..
Bombay	..	..	..
Madras	..	..	..
Burma	..	..	..
Punjab	..	..	..
Central Provinces	7	..	7
Assam	..	..	..
North-West Frontier Province	10	..	10
Ajmer-Merwara	..	..	..
Coorg	..	..	..
Total	20	..	20

NOTE.—Figures for Bengal are not available.

NUMBER OF RED SHIRT PRISONERS CONVICTED OF OFFENCES INVOLVING VIOLENCE.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I lay on the table the information promised in reply to question No. 106 asked by the Honourable Mr. P. N. Saprú on the 18th August, 1934.

Number of Red Shirt prisoners convicted of offences involving violence.

The total number of Red Shirts convicted is 6,980. It would involve a large expenditure of time and labour to ascertain the number actually convicted of offences involving violence as large numbers belonging to mobs were caught red-handed committing acts of violence in resisting authority and were dealt with for greater convenience by prosecutions under the Criminal Law Amendment Act, 1908. No less than 5,840 persons were convicted under that Act. Besides these persons, 164 others were separately convicted of offences involving violence.

NUMBER, ETC., OF UNPASSED CLERKS EMPLOYED TEMPORARILY IN THE ROUTINE DIVISION IN THE GOVERNMENT OF INDIA SECRETARIAT.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I lay on the table a statement containing the information promised in reply to question No. 117 asked by the Honourable Mr. Hossain Imam on the 20th August, 1934.

Statement showing the number, etc., of unpassed clerks employed temporarily in the Routine Division in the Government of India Secretariat and its Attached offices.

Name of Department or Office.	No. of unpassed candidates employed on 1st August, 1934.	Whether considered suitable by the P. S. C. for temporary employment and if so the year in which declared suitable by the Commission.	Nature of vacancies in which employed.				Length of service on 1st August, 1934.	Pay on 1st August, 1934.	Community.
			Perma- nent.	Tempo- rary.	Officiat- ing (leave).	Deputa- tion.			
D. P. I.	4	No	..	.. 1	1	..	Y. M. D. 4 11 22 1 5 0 0 4 27 0 2 0	Rs. p. m. 91 80 60 60	Muslim. Do. Hindu. Anglo-Indian.
Finance	3	No	..	.. 1	.. 1	..	0 8 21 0 1 25 0 1 25	60 60 60	Hindu. Indian Xian. Hindu.
C. B. R.	4	No	..	.. 1	..	1	2 9 11 0 0 8 0 9 19 0 1 2	64 60 60 60	Do. Do. Do. Muslim.
E., H. and L.	1	No	..	1	..	..	0 0 14	60	Do.
D. G., I. M. S.	8	(1) No (2) No (3) No (4) Yes, in 1934.	..	..	.. 1	1	6 8 9 5 4 13 1 6 1 0 3 0	99 95 62 60	Do. Hindu. Do. Do.

COUNCIL OF STATE.

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STATEMENTS LAID ON THE TABLE.

D. G. Archaeology	1	(5) No (6) No (7) No (8) No	..	..	1	..	0 3 0 0 2 24 0 2 14 0 0 15	60 60 60 60	Do. Do. Do. Do.
Reforms	4	1 in 1932	..	.. 1	..	..	1 0 10 2 6 21 2 6 12 2 6 7 1 2 17	60 64 64 64 62	Muslim. Hindu. Muslim. Indian Xian. Muslim.
I. C. A. R.	1	No	..	..	1	..	0 3 0	60	Hindu.
Commerce	5	No Yes, in 1933	..	..	..	1	4 0 3 0 11 7 0 6 0 0 5 9 0 2 4	75 60 60 60 60	Muslim. Hindu. Anglo-Indian. Hindu. Do.
F. A., M. F.	1	No	..	1	..	..	1 2 7	60	European.
M. A. G.	3	(1) No (2) Yes, in 1933. (3) No	..	1	..	..	3 2 12 1 3 22	75 60	Muslim. Do.
Railway	8	No	..	1*	..	..	1 3 17 5 3 24 5 8 20 1 11 0 6 8 2 2 6 19 0 5 9 0 9 9 1 6 9		Hindu. Anglo-Indian. Muslim. Hindu. Muslim. Do. Hindu. Do.

* Were appointed in the Board's Office prior to 26th February 1933. The date when an undertaking was given in the Legislative Assem-
bly to make future recruitment through the P. S. C. and are borne on the waiting list of retrenched employees of this office.
† Are borne on the list of retrenched staff of this office.

COUNCIL OF STATE.

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Name of Department or Office.	No. of unpassed candidates employed on 1st August, 1934.	Whether considered suitable by the P. S. C. for temporary employment and if so the year in which declared suitable by the Commission.	Nature of vacancies in which employed.				Length of service on 1st August, 1934.	Pay on 1st August, 1934.	Community.
			Perma- nent.	Tem- porary.	Officiat- ing (leave).	Deputa- tion.			
Central Standards Office.	4	No.	..	1	..	..	Y. M. D. 5 6 16 6 0 29	Rs. p. m. 100 95	Hindu. Do.
Supervisor of Railway Labour.	1	No.	..	1	..	..	5 8 14 5 3 0	66 60	Do. Do.
Foreign and Political	18	(1) No (2) Yes, in 1931. (3) No (4) No (5) No (6) No (7) No (8) No (9) No (10) No (11) No (12) Yes, in 1932. (13) No (14) No	1	..	..	..	4 4 27 4 5 0	75 75	Muslim. Hindu.
			1	..	..	..	3 9 0 3 8 24	75 75	Do. Muslim.
			1	..	..	..	3 8 13	75	Hindu.
			1	..	..	..	2 1 9	64	Muslim.
			1	..	..	..	2 1 8	64	Sikh.
			..	1	..	..	1 10 5	62	Hindu.
			..	1	..	..	1 9 4	62	Muslim.
			..	1	..	..	1 8 11	100	Anglo-Indian.
			..	1	..	..	1 8 29	100	Do.
			..	..	..	1	1 8 7	62	Muslim.
			..	1	..	..	1 8 2	62	Hindu.
			..	..	..	1	1 8 0	62	Sikh.

STATEMENTS LAID ON THE TABLE.

Name of Department or Office.	No. of unpassed candidates employed on 1st August, 1934.	Whether considered suitable by the P. S. C. for temporary employment and if so the year in which declared suitable by the Commission.	Nature of vacancies in which employed.				Length of service on 1st August, 1934.	Pay on 1st August, 1934.	Community.
			Perma- nent.	Tem- porary.	Officiat- ing (leave).	Deputa- tion.			
Home	10	(15) No (16) No (17) No (18) No No	..	1	..	..	1 0 8 0 10 11 0 9 9 0 0 25	60 60 60 60	Hindu. Do. Muslim. Do.
			..	..	..	..	4 2 12 4 3 18	75 75	Hindu. Do.
			..	..	..	..	4 2 7	75	Do.
			..	..	..	..	4 1 6	75	Do.
			..	..	..	..	4 0 24	75	Hindu.
			..	..	..	..	2 9 26	60	Do.
			..	1	..	..	2 6 13	60	Do.
			..	1	..	..	2 2 24	60	Muslim.
			..	1	..	..	1 3 18	60	Hindu.
			..	1	..	..	1 3 13	60	Anglo-Indian.
			..	..	..	..	1 1 29	60	Indian Christian.
			..	..	..	..	1 1 0	60	Sikh.
			..	1	..	..	0 0 1	60	Muslim.
			..	..	..	..	0 1 11	60	Do.
Indian Stores	7	(1) No (2) No (3) No (4) No (5) No (6) Yes, in 1933. (7) No	..	..	..	..	5 8 18 4 9 0 4 9 0	95 91 91	Hindu. Do. Sikh.
			..	..	..	..	4 8 24	91	Muslim.
			..	..	..	..	4 7 6	91	Hindu.
			..	..	..	..	0 1 19	60	Do.
			..	..	..	..	0 0 12	60	Indian Christian.
D. G. P. and T.	10	No	1	..	..	..	0 0 33 1 2 8	60	Sikh.
			..	..	..	..	1 9 7	60	Indian Christian.
			..	..	..	..	1 3 10	60	Sikh.
			..	..	..	..	1 10 0	79	Hindu.

Name of Department or Office.	No. of unpassed candidates employed on 1st August, 1934.	Whether considered suitable by the P. S. C. for temporary employment and if so the year in which declared suitable by the Commission.	Nature of vacancies in which employed.				Length of service on 1st August, 1934.	Pay on 1st August, 1934.	Community.
			Permanent.	Temporary.	Officiating (leave).	Deputation.			
D. G., P. and T.—contd.							Y. M. D.	Rs. p. m.	
Civil Aviation	2	No	..	..	..	1	0 8 0	75	Hindu.
Controller of Printing and Stationery.	2	No	..	..	..	1	0 10 0	79	Do.
Army	12	No	..	..	..	1	0 2 28	60	Indian Christian.
			..	..	..	1	0 3 28	60	Hindu.
			..	..	..	1	1 7 23	60	Muslim.
			..	..	..	1	0 0 15	60	Indian Christian.
			..	..	..	1	1 6 16	60	Do.
			..	..	..	1	0 7 5	100	Anglo-Indian.
			..	..	..	1	5 9 5	99	Hindu.
			1	..	..	..	5 5 20	95	Do.
			..	..	..	..	2 6 0	60	Muslim.
			..	..	..	..	6 2 23	60	Hindu.
			..	..	..	..	(with frequent breaks.)		
			..	..	..	..	4 8 12	60	Do.
			..	..	..	..	(with frequent breaks.)		

G. S. Branch.	14	No	1	..	..	1	2 2 0	60	Do.
			..	..	..	..	(with frequent breaks.)		
			1	..	..	..	4 0 0	60	Do.
			..	..	..	..	(with frequent breaks.)		
			..	..	..	..	0 5 14	50	Muslim.
			..	..	..	..	0 5 20	60	Hindu.
			..	..	..	..	0 5 20	50	Do.
			..	..	..	..	0 5 0	60	Do.
			..	..	..	..	0 2 0	60	Muslim.
			..	..	..	..	0 0 21	60	Do.
			..	..	..	..	0 0 12	60	Hindu.
			1	..	..	..	7 11 16	100	European.
			1	..	..	..	6 0 0	100	Anglo-Indian.
			1	..	..	..	5 5 0	100	European.
			1	..	..	..	4 4 18	100	Do.
			1	..	..	..	4 2 20	100	Do.
			1	..	..	..	3 2 19	100	Anglo-Indian.
			1	..	..	..	2 2 0	100	European.
			1	..	..	..	2 0 0	100	Do.
			1	..	..	..	1 3 5	100	Do.
			1	..	..	..	1 2 23	100	Anglo-Indian.
			1	..	..	..	1 0 0	100	European.
			1	..	..	..	0 10 0	100	Anglo-Indian.
			1	..	..	..	0 7 30	100	European.
			..	..	..	1†	0 3 5	60	Hindu.
A. G.'s Branch	2	No	..	..	..	1	4 11 26	75	Do.
Q. M. G.'s Branch	2	No	..	..	..	1	0 8 6	60	Sikh.
			..	..	..	..	0 0 8	60	Hindu.
			1	..	..	..	0 0 1	60	Muslim.

* The four temporary posts are paid from Defence estimates and do not really form part of the Army Department Secretariat. They have been sanctioned for work in connection with the issue of the India General Services Medal, 1908.

† Three candidates considered suitable by the Public Service Commission were sent for, but none turned up.

‡ The candidates nominated by the Public Service Commission have either refused or failed to join the appointments offered to them.

[illegible][illegible]

Of the number of unqualified persons there are 22 lady clerks employed in the A. H. Q. offices who cannot be replaced by qualified lady clerks as the P. S. C.'s list does not furnish the names of this class of candidates.

[11TH FEB. 1935.]

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, I lay on the table the information promised in reply to question No. 230A asked by the Honourable Saiyid Raza Ali on the 5th September, 1934.

Employment of British Indian subjects in the civil services of Indian States.

(a) Of the Indian States with a population of 300,000 or more, none except Hyderabad, prohibit the employment of British Indian subjects in their services.

INTER CLASS WAITING ROOMS AT ALLAHABAD AND PRAYAG AND THIRD CLASS WAITING HALL, ALLAHABAD, EAST INDIAN RAILWAY.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways) : Sir, I lay on the table the information promised in connection with the reply to questions Nos. 60, 61 and 62 asked by the Honourable Mr. P. N. Saprú on the 13th August, 1934.

The reply from the Agent, East Indian Railway, has been received. The position in regard to inter class waiting rooms at Allahabad and Prayag and the third class waiting hall at Allahabad is as follows :

No. 60.—Although the waiting room for the intermediate class passengers at Allahabad is outside the main platform, it forms part of the station building and is adjacent to the platform. No inconvenience is caused to the passengers by this arrangement. It is not, therefore, proposed to construct a new waiting room.

No. 61.—There is no waiting room for intermediate class passengers at Prayag railway station. Prayag is an important centre of Hindu pilgrimage but the sale of inter class tickets is ordinarily very limited. It is, however, proposed to construct an inter class waiting room next year, in view of the importance of the station.

No. 62.—The third class waiting room at Allahabad is of the approved standard type as at Cawnpore Central and other stations on the East Indian Railway.

RAMGANGA RAILWAY BRIDGE, EAST INDIAN RAILWAY.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways) : Sir, I lay on the table the information promised in reply to question No. 235 asked by the Honourable Mr. Saiyid Raza Ali on the 6th September, 1934.

Ramganga Railway Bridge.

- (a) Yes.
- (b) The period during which the bridge remains closed to road traffic is dependent on the passage of trains both broad and metre gauge.
- (c) Government are informed that on the day in question, the bridge remained closed to road traffic for one hour and twenty minutes which was due to two trains having to cross the bridge one shortly after the other. The bridge was opened to road traffic five minutes after the passage of the second train at 11-35 P.M.
- (d) A scheme for providing a separate roadway over the railway bridge has been prepared, but so far no definite decision has been arrived at regarding the construction of this.

(e) It would not be practicable to give effect to this suggestion. Government are however informed that the Railway Administration has under consideration an alternative scheme for allowing fast moving traffic such as motor cars and horse-drawn carriages to cross the bridge while the bridge remains normally closed to road traffic. This matter, however, requires the co-operation of the civil authorities with whom negotiations are in progress.

GUARDS OF THE ALLAHABAD DIVISION, EAST INDIAN RAILWAY.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways) : Sir, I lay on the table the information promised in reply to question No. 52 asked by the Honourable Rai Bahadur Lala Jagdish Prasad on the 13th August, 1934.

Guards of the Allahabad Division, East Indian Railway.

The Agent, East Indian Railway, reports:

- (a) Yes.
- (b) Preference was given to grade II guards who had passed the St. John Ambulance Test in accordance with orders which were issued by the Agent, East Indian Railway, in 1932 to the effect that when considering the promotion of certain categories of staff preference should be given to those who had qualified in First Aid.
- (c) It is a fact that there are a number of guards in the 1st grade who have not passed the St. John's Ambulance Test but these men were in grade I before the orders referred to above were issued. The Agent reports that since the date of issue of these orders, the qualification in first aid has been insisted on.
- (d) The Agent considers that there is no reason to believe that this is so and has pointed out that five Indian grade II guards were promoted to grade I by the last selection committee.

INDIAN TEA CESS COMMITTEE.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : Sir, I lay on the table the information promised in reply to question No. 179 asked by the Honourable Mr. Jagadish Chandra Banerjee on the 3rd September, 1934.

The Indian Tea Cess Committee.

(d) Annual budgets are prepared by the Executive Committee of the Indian Tea Cess Committee for expenditure in the countries in which propaganda work is being undertaken. These budgets are prepared in consultation with an Advisory Committee in London and the Commissioners in charge of the work in the countries concerned and are subject to sanction by the full Tea Cess Committee. After the budgets are sanctioned the funds are remitted to the Advisory Committee who render accounts to the Tea Cess Committee of all expenditure incurred. No funds in excess of Rs. 2,000 can be spent without the sanction of the full Committee. The funds are expended for the purpose of promoting the sale and increasing the consumption of Indian tea by means of press advertising, education and propaganda. At the half yearly meeting of the Indian Tea Cess Committee in March, 1934, the sterling equivalents at 1s. 6d. exchange of (a) Rs. 6,66,666 (£50,000), (b) Rs. 1,33,333 (£10,000), and (c) Rs. 13,333 (£1,000), were allotted for expenditure on promoting the sale and increasing the consumption of Indian tea in (a) the United States of America and (b) the United Kingdom during 1934-35 the other sanction being for participation in the cost of the Ideal Homes Exhibition in London if required.

(e) There are no provincial branch sub-committees of the Cess Committee as such but the Bengal and Madras Chambers of Commerce also the Indian Tea Association and the Assam, Surma Valley, Darjeeling, Terai, Doonars, Jalpaiguri and Southern India Planters' Associations are all represented on the full Committee of twenty persons who are in the closest touch with all Cess activities.

FURTHER AMENDMENTS MADE IN THE OTTAWA TRADE AGREEMENT
RULES, 1932.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I lay on the table a copy of further amendments made in the Ottawa Trade-Agreement Rules, 1932, which were laid on the table on the 28th February, 1933.

DEPARTMENT OF COMMERCE.

NOTIFICATION.

TARIFFS.

Simla, the 13th October 1934.

No. 789-T. (11)/32.—In exercise of the powers conferred by sub-section (3-B) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), the Governor General in Council is pleased to direct that the following further amendments shall be made in the Ottawa Trade Agreement Rules, 1932, namely :—

(1) In the *Explanation* to sub-rule (2) of rule 4 of the said Rules the word "mixing" shall be omitted and to the said *Explanation* the following proviso shall be added, namely:—

"Provided that where the article concerned is an article specified in the first column of the Third Schedule this Explanation shall be construed as though the word 'mixing' were included therein before the word 'bottling'."

(2) In the Third Schedule to the said Rules, for the heading “ (See rule 4-A) ”, the heading “ [See the proviso to the Explanation to rule 4 (2) and rule 4-A] ” shall be substituted.

T. A. STEWART,
Secy. to the Govt. of India.

OTTAWA TRADE AGREEMENT (SUPPLEMENTARY).

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : Sir, I lay on the table a copy of the Agreement between His Majesty's Government in the United Kingdom and the Government of India signed on the 9th January, 1935, together with a copy of the notes exchanged between the two Governments.

AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE
GOVERNMENT OF INDIA.

Preamble.

His Majesty's Government in the United Kingdom and the Government of India hereby agree that, during the continuance of the Ottawa Trade Agreement, the following

undertakings on the part of His Majesty's Government in the United Kingdom and of the Government of India shall be deemed to be supplementary to that Agreement, namely :—

Article 1.

It is recognised by His Majesty's Government in the United Kingdom and the Government of India that while protection to an Indian industry against imports of whatever origin may be necessary in the interests of the economic well-being of India, the conditions within industries in India, in the United Kingdom and in foreign countries may be such that an Indian industry requires a higher level of protection against foreign goods than against imports of United Kingdom origin.

Article 2.

It is recognised by His Majesty's Government in the United Kingdom that, under existing conditions, import duties constitute an indispensable element in the revenues of the Government of India, and that revenue considerations must be given due weight in fixing levels of import duties.

Article 3.

1. The Government of India undertake that protection will be afforded to such industries only as after due enquiries by the Tariff Board have, in the opinion of the Government of India, established claims thereto in accordance with the policy of discriminating protection laid down in the resolution adopted by the Legislative Assembly on 16th February, 1923, provided that this undertaking shall not apply to safeguarding of industries under the Safeguarding Act of 1933.

2. The Government of India further undertake that the measure of protection to be afforded shall be only so much as, and no more than, will equate prices of imported goods to fair selling prices for similar goods produced in India, and that, wherever possible having regard to the provisions of this Article, lower rates of duty will be imposed on goods of United Kingdom origin.

3. The differential margins of duty established in accordance with the principles laid down in the preceding clauses of this Article as between United Kingdom goods on the one hand and foreign goods on the other, shall not be altered to the detriment of United Kingdom goods.

4. The undertakings contained in this Article shall not prejudice the right of the Government of India in cases in which they find it essential, in the interests of the revenue, to impose an overriding revenue duty on imported goods higher than the protective duty required.

Article 4.

When the question of the grant of substantive protection to an Indian industry is referred for enquiry to a Tariff Board the Government of India will afford full opportunity to any industry concerned in the United Kingdom to state its case and to answer the cases presented by the other interested parties. The Government of India further undertake that, in the event of any radical changes in the conditions affecting protected industries during the currency of the period of protection, they will, on the request of His Majesty's Government or of their own motion, cause an enquiry to be made as to the appropriateness of the existing duties from the point of view of the principles laid down in Article 3, and that, in the course of such enquiry, full consideration will be given to any representations which may be put forward by any interested industry in the United Kingdom.

Article 5.

His Majesty's Government in the United Kingdom will give consideration to the steps that might be taken in co-operation with the respective commercial interests to develop the import from India of raw or semi-manufactured materials used in the manufacture of articles of a class which, on importation into India, are subject to differential protective duties. In particular they invite the Government of India to take note of the steps that have already been taken in the United Kingdom in pursuance of Article 8 of the Ottawa Agreement with a view to the widening of the area of consumption of Indian cotton; and they undertake to continue to use all possible efforts in co-operation with commercial interests to stimulate the consumption of Indian cotton in all possible ways, including technical research, commercial investigation, market liaison, and industrial propaganda.

Article 8.

His Majesty's Government in the United Kingdom undertake that, in accordance with the principles of the foregoing Article, the privilege of duty-free entry of Indian pig iron

into the United Kingdom will be continued so long as the duties applicable to articles of iron and steel imported into India are not less favourable to the United Kingdom than those provided for in the Iron and Steel Protection Act, 1934, without prejudice, however, to the provisions of sub-sections 3(4) and 3(5) of the Indian Tariff Act, 1894, as amended by section 2 of the Iron and Steel Duties Act, 1934.

Article 7.

His Majesty's Government in the United Kingdom and the Government of India undertake that, in all matters relating to this Agreement, they shall at all times receive and consider any conclusions, agreements or reports which may be framed as the result of conferences between the accredited representatives of industries concerned in the United Kingdom and in India.

Signed on behalf of His Majesty's Government
in the United Kingdom.

WALTER RUNCIMAN.

Signed on behalf of the Government of India.

B. N. MITRA.

Dated 9th January, 1935.

EXCHANGE OF NOTES.

No. 1.

SIR,

I am authorised to undertake on behalf of His Majesty's Government in the United Kingdom that if at any time any further or other special steps are taken by the Colonies and Protectorates to facilitate the sale of United Kingdom cotton goods in competition with foreign cotton goods, they will invite the Governments of the Colonies and Protectorates to accord as favourable treatment to Indian cotton goods of any description as may be proposed for similar United Kingdom cotton goods.

The above undertaking shall remain in force so long as the Agreement of 28th October, 1933, between the Lancashire Delegation and the Millowners' Association, Bombay, or any subsequent Agreement which may be concluded between the cotton textile industries of the two countries remains in force.

I have the honour to be

Sir,

Your obedient servant,

WALTER RUNCIMAN.

Dated 9th January, 1935.

SIR B. N. MITRA, K.C.S.I., K.C.I.E., C.B.E.

No. 2.

SIR,

I have the honour to acknowledge receipt of your letter No. 1 of today's date.

I am authorised to undertake on behalf of the Government of India that as soon as the second surcharge comes off as a general measure, the tariff rates on United Kingdom cotton piece-goods will be reduced to 20 per cent. *ad valorem* or 3½ annas per pound on plain grey goods, and 20 per cent. *ad valorem* on other goods, provided that on expiry of the period of the Agreement of 28th October, 1933, between the Lancashire Delegation and the Millowners' Association, Bombay, the duties on United Kingdom goods for the remaining period of protection will be fixed on a review of conditions then existing and in the light

of such experience as may have been gained. By reference to the second surcharge coming off as a general measure is meant the removal of the surcharge on a reasonably large proportion of, not necessarily all, the items now subject to it.

I have the honour to be,

Sir,

Your obedient servant,

B. N. MITRA.

9-1-1935.

Right Honourable WALTER RUNCIMAN, M. P.

No. 3.

SIR,

I have the honour to acknowledge the receipt of your letter (No. 2) of today's date.

I have the honour to be,

Sir,

Your obedient servant,

WALTER RUNCIMAN.

9-1-1935.

SIR B. N. MITRA, K.C.S.I., K.C.I.E., C.B.E.

CONVENTION BETWEEN UNITED KINGDOM AND POLAND RELATING TO TONNAGE MEASUREMENT CERTIFICATES.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I lay on the table a copy of the Convention between the United Kingdom and the Republic of Poland relating to Tonnage Measurement Certificates.

CONVENTION BETWEEN HIS MAJESTY, IN RESPECT OF THE UNITED KINGDOM, CANADA, THE COMMONWEALTH OF AUSTRALIA, NEW ZEALAND, AND INDIA, AND THE PRESIDENT OF THE REPUBLIC OF POLAND, RELATING TO THE TONNAGE MEASUREMENT OF MERCHANT SHIPS.

Warsaw, April 16, 1934.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, and the President of the Republic of Poland,

Recognising the desirability of making arrangements for the reciprocal recognition of certificates of registry and other national documents relating to the measurement of tonnage of merchant ships.

Have resolved to conclude a Convention for that purpose and to that end have appointed as their Plenipotentiaries:

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India:

for Great Britain and Northern Ireland,

The Right Honourable Sir William Augustus Forbes Erskine, G.C.M.G., M.V.O., Ambassador Extraordinary and Plenipotentiary of His Majesty at Warsaw;

for the Dominion of Canada,

The Right Honourable Sir William Augustus Forbes Erskine, G.C.M.G., M.V.O., Ambassador Extraordinary and Plenipotentiary of His Majesty at Warsaw;

for the Commonwealth of Australia,

The Right Honourable Sir William Augustus Forbes Erskine, G.C.M.G., M.V.O.,
Ambassador Extraordinary and Plenipotentiary of His Majesty at Warsaw;

for the Dominion of New Zealand,

The Right Honourable Sir William Augustus Forbes Erskine, G.C.M.G., M.V.O.,
Ambassador Extraordinary and Plenipotentiary of His Majesty at Warsaw;

for India,

The Right Honourable Sir William Augustus Forbes Erskine, G.C.M.G., M.V.O.,
Ambassador Extraordinary and Plenipotentiary of His Majesty at Warsaw;

The President of the Republic of Poland:

Monsieur Józef Beck, Minister for Foreign Affairs,

Who, having communicated their full powers, found in good and due form, have
agreed as follows:—

Article 1.

Subject to the provisions of Articles 6 and 7 of this Convention, the territories of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India (hereinafter referred to as His Majesty) to which this Convention applies are the United Kingdom of Great Britain and Northern Ireland, Canada, the Commonwealth of Australia, including for this purpose Papua and Norfolk Island, New Zealand, Newfoundland and India, all British Colonies and Protectorates and all mandated territories in respect of which the mandate is exercised by His Majesty's Government in the United Kingdom, His Majesty's Government in the Commonwealth of Australia or His Majesty's Government in New Zealand.

Any reference in subsequent articles of the present Convention to the territories of His Majesty shall be deemed to relate to those territories of His Majesty to which the Convention applies.

Article 2.

In view of the fact that the existing laws and regulations in the territories of His Majesty in regard to measurement of tonnage of merchant ships are in substantial agreement with those of Poland, ships furnished with certificates of registry and other national papers duly issued by the competent authorities of some part of the territories of His Majesty shall be deemed by the Polish authorities to be of the tonnage denoted in the said documents, and shall be exempted from being remeasured in any port or place in Poland, on condition that similar terms shall be accorded to Polish ships, equipped with certificates of registry or other national papers duly issued by the competent Polish authorities on or after the 30th November, 1927, and that such ships shall be exempted from being remeasured in any port or place within the territories of His Majesty.

Article 3.

The High Contracting Parties agree that the Government of the Republic of Poland to whom it pertains to ensure the conduct of the foreign relations of the Free City of Danzig, in virtue of article 104 of the Treaty of Peace, signed at Versailles on the 28th June, 1919, and of Articles 2 and 6 of the Convention concluded between Poland and the Free City of Danzig on the 9th November, 1920, may at any time while the present Convention is in force declare by a notification made through the diplomatic channel that the Free City of Danzig is a Contracting Party to this Convention and that the Free City assumes the obligations and acquires the rights deriving therefrom, subject to such conditions as may be agreed upon in the notes to be exchanged for giving effect to such declaration.

Article 4.

The President of the Republic of Poland may by a twelve months' notice given in writing through the diplomatic channel terminate this Convention either collectively in respect of all territories of His Majesty or separately in respect of the United Kingdom of Great Britain and Northern Ireland, Canada, the Commonwealth of Australia, New Zealand, Newfoundland or India respectively.

Article 5.

His Majesty may terminate this Convention collectively or separately in respect of the United Kingdom, Canada, the Commonwealth of Australia, New Zealand, Newfoundland or India by a twelve months' notice in writing through the diplomatic channel.

Article 6.

The separate termination of this Convention, under Articles 4 or 5, in respect of the United Kingdom of Great Britain and Northern Ireland shall also terminate it in respect of all British colonies, all British protectorates and all mandated territories in respect of which the mandate is exercised by His Majesty's Government in the United Kingdom, and its provisions shall upon such termination cease to apply to all ships registered therein.

Article 7.

The separate termination of this Convention under Articles 4 or 5 in respect of Canada, the Commonwealth of Australia, New Zealand, Newfoundland or India shall also terminate it in respect of the territories under the authority or jurisdiction of His Majesty's Government in Canada, or in the Commonwealth of Australia, or in New Zealand or in Newfoundland or the Government of India respectively and its provisions shall upon such termination cease to apply to ships registered in such territories.

Article 8.

The present Convention shall be ratified and the ratifications shall be exchanged at London as soon as possible. It shall come into force thirty days from the date of the exchange of ratifications.

In faith whereof the abovenamed Plenipotentiaries have signed the present Convention and have affixed thereto their Seals.

Done at Warsaw in duplicate, each in the English and Polish languages both of which shall have equal force, the 16th day of April, 1934.

For Great Britain and Northern Ireland:

WILLIAM ERSKINE.

For the Dominion of Canada:

WILLIAM ERSKINE.

For the Commonwealth of Australia:

WILLIAM ERSKINE.

For the Dominion of New Zealand:

WILLIAM ERSKINE.

For India:

WILLIAM ERSKINE.

For the Republic of Poland:

J. BECK.

[11TH FEB. 1935.]

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: Honourable Members, I have to convey to you four Messages from His Excellency the Governor General. The Messages are in the form of the following Orders:

The first Order:

PANEL OF CHAIRMEN.

"In pursuance of the provisions of sub-section (2) of section 63A of the Government of India Act, I, Freeman, Earl of Willingdon, hereby nominate the following Members of the Council of State to be on the Panel of Chairmen of the said Council of State:

In the first place, the Honourable Mr. Ernest Miller; in the second place, the Honourable Rai Bahadur Lala Ram Saran Das; in the third place, the Honourable Mr. Bijay Kumar Basu; and lastly, the Honourable Lieutenant-Colonel Nawab Sir Mahomed Akbar Khan.

New Delhi;

The 18th January, 1935.

(Sd.) WILLINGDON,

Viceroy and Governor General."

The second Order:

RAILWAY BUDGET.

"For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Freeman, Earl of Willingdon, hereby appoint Monday, the 18th February, for the presentation to the Council of State, and Thursday, the 21st February, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.

New Delhi;

The 4th February, 1935.

(Sd.) WILLINGDON,

Viceroy and Governor General."

The third Order:

GENERAL BUDGET.

"For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Freeman, Earl of Willingdon, hereby appoint Thursday, the 28th February, at 5 p.m., for the presentation to the Council of State, and Saturday, the 2nd March, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of subjects other than Railways.

New Delhi;

The 4th February, 1935.

(Sd.) WILLINGDON,

Viceroy and Governor General."

The fourth Order:

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

(Sd.) WILLINGDON,

Viceroy and Governor General."

The 22nd January, 1935.

COMMITTEE ON PETITIONS.

THE HONOURABLE THE PRESIDENT: Honourable Members, under Standing Order 76 of the Council of State Standing Orders, I am required at the commencement of each session to constitute a Committee on Petitions consisting of a Chairman and four members. The following Members have at my request kindly consented to preside over and serve on the Committee. I accordingly have much pleasure in nominating as Chairman of the Committee the Honourable Raja Charanjit Singh and as members, the Honourable Khan Bahadur Syed Abdul Hafeez, the Honourable Sir David Devadoss, the Honourable Mr. Satyendra Chandra Ghosh Maulik and the Honourable Rai Bahadur Lala Jagdish Prasad.

CONGRATULATIONS TO MEMBERS, THE RECIPIENTS OF HONOURS.

THE HONOURABLE THE PRESIDENT: Honourable Members, as you are aware, it is customary for the President of the Council of State to convey the congratulations of the Council to Honourable Members who have been the recipients of Honours in the last Honours List, and on your behalf, I shall therefore convey the Council's congratulations to these Honourable Members.

The foremost name that attracts our attention is that of Sir Bertrand Glancy, who has obtained a K.C.I.E. in the last Honours List. (Applause.) Sir Bertrand is a distinguished member of the Indian Civil Service and joined the Political Department as Officiating Secretary in 1932-33. Before that, he occupied various prominent offices, which he very ably performed. In the Political Department he has been regarded as a very brilliant administrator. His masterly ability, his tact, his judgment and his sagacity have been displayed on many important occasions which called for the operation of those talents. In him, this Council has a very valuable Political Secretary of the Government of India. I convey on behalf of Honourable Members our hearty congratulations to you, Sir Bertrand, on this Honour which you have obtained and which I feel is only a precursor of many other Honours to follow. (Applause.)

The next is our friend and colleague, Nawab Malik Sir Mohammad Hayat Khan Noon, who has very deservedly obtained his Knighthood this year. He is an old member of the Punjab Civil Service and retired after many years of arduous and distinguished service. He has been a prominent member of the Council of State since 1928, and on many occasions in this House we have heard him with great attention and respect. I hope he will live long to enjoy this Honour.

Our colleague, Nawab Bahadur Khwaja Habibullah of Dacca, has obtained a Nawab Bahadurship. You are all fully aware that he belongs to a very ancient, respected and historic family in India, and his Honour is extremely well deserved, and we trust he will live for many years to enjoy that Honour.

Khan Bahadur Mian Ali Baksh Muhammad Hussain, who has been in this Council since 1930, has received the title of Khan Bahadur, and I convey to him also the congratulations of this Council on the Honour that has been conferred on him.

[11TH FEB. 1935.]

But before I resume, I crave your indulgence to mention one other name. He is an ex-Member of this Council and for several years sat in this Council with great distinction, and that is our friend Sir Alan Parsons, Secretary to the Government of India in the Finance Department, who has been fortunate enough to obtain the high distinction of K.C.I.E. Though he is not amongst us now, I feel certain that Honourable Members would like me to convey the Council's felicitations to him, and I shall do so.

THE HONOURABLE SIR BERTRAND GLANCY (Political Secretary): May I say, Sir, that I am extremely grateful to you and to the Members of this House for your kind words and the great honour you have done me?

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: I am very grateful to you and the Council, Sir, for your congratulations, and I thank you very sincerely.

GOVERNOR GENERAL'S ASSENT TO BILLS.

SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills which were passed by the two Chambers of the Indian Legislature during the Simla session, 1934, namely:

- The Negotiable Instruments (Amendment) Act, 1934.
- The Indian Trusts (Amendment) Act, 1934.
- The Indian Dock Labourers Act, 1934.
- The Indian Carriage by Air Act, 1934.
- The Sea Customs (Amendment) Act, 1934.
- The Indian Aircraft Act, 1934.
- The Mechanical Lighters (Excise Duty) Act, 1934.
- The Repealing and Amending Act, 1934.
- The Factories Act, 1934.
- The Bengal Criminal Law Amendment Supplementary (Extending) Act, 1934.
- The Assam Criminal Law Amendment (Supplementary) Act, 1934.
- The Indian Rubber Control Act, 1934.
- The Indian Income-tax (Amendment) Act, 1934.
- The Petroleum Act, 1934.
- The Iron and Steel Duties Act, 1934.
- The Indian Tariff Act, 1934.
- The Indian Army (Amendment) Act, 1934.
- The Indian Navy (Discipline) Act, 1934.
- The Amending Act, 1934.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the Bill to amend the Indian Naturalization Act, 1926, for certain purposes, which was passed by the Legislative Assembly at its meeting held on Monday, the 28th January, 1935.

MOTION FOR THE ELECTION OF TWO NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Education, Health and Lands Member): Sir, I move:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two 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.

MOTION FOR THE ELECTION OF THREE NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, I move:

"That this Council to proceed to the election, in such method as may be approved by the Honourable the President, of three Members to serve on the Standing Committee for Roads which will be constituted to advise the Governor General in Council in the administration of the Road Account during the financial year 1935-36."

The Motion was adopted.

MOTION FOR THE ELECTION OF TWO NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, I move:

"That this Council to proceed to elect, in such manner as the Honourable the President may direct, two non-official Members to serve on the Standing Committee to advise on subjects, other than 'Roads' and 'Posts and Telegraphs', dealt with in the Department of Industries and Labour."

The Motion was adopted.

**MOTION FOR THE ELECTION OF TWO NON-OFFICIAL MEMBERS
TO THE STANDING ADVISORY COMMITTEE FOR THE INDIAN
POSTS AND TELEGRAPHS DEPARTMENT.**

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, I move:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official Members to serve on the Standing Advisory Committee for the Indian Posts and Telegraphs Department."

Honourable Sir, this is a new Advisory Committee which Government has decided to constitute in deference to expressions of public opinion from various quarters.

The Motion was adopted.

**MOTION FOR THE ELECTION OF TWO NON-OFFICIAL MEMBERS
TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF
COMMERCE.**

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I move:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official Members to serve on the Standing Committee of advise on subjects in the Department of Commerce."

The Motion was adopted.

CINEMATOGRAPH (AMENDMENT) BILL.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I move for leave to introduce:

"A Bill further to amend the Cinematograph Act, 1918, for a certain purpose."

The reasons why Government have undertaken this small piece of legislation are explained in the statement of objects and reasons. If this Motion is accepted I will explain those reasons further when this Council proceeds with the second reading of the Bill.

Sir, I move.

The Motion was adopted.

THE HONOURABLE MR. M. G. HALLETT: Sir, I introduce the Bill.

The Council then adjourned till Eleven of the Clock on Tuesday, the 12th February, 1935.

COUNCIL OF STATE.

Tuesday, 12th February, 1935.

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

**MOTION *RE* REPORT OF THE JOINT COMMITTEE ON INDIAN
CONSTITUTIONAL REFORM.**

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House): Sir, I beg to move:

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration."

At this stage, Sir, I feel that I need say no more than just this. The subject is not a new one, that on the floor of this House a discussion of the White Paper was held at considerable length, that the question of reforms has been before the public now for more than seven years. Various aspects of the problem have been from time to time threshed out at very considerable length. Honourable Members are now familiar with the main points which are in controversy. Need I therefore try to give a summary of the Report? It will serve no useful purpose. I am sure Honourable Members have devoted their time to studying it most carefully. As a matter of fact, since then the Bill has been published and I am sure a very large number of them have also perused that Bill. It would therefore be best for me to leave Honourable Members free to bring forward such points as they feel can be usefully discussed by this Council and in case there is need at the end of the debate for me to say something on behalf of Government, I will be glad to do so.

THE HONOURABLE THE PRESIDENT: Motion made:

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration."

I propose at this stage to explain the course which I have decided to adopt for the conduct of the debate on this Motion. I have been informed that the Honourable Mr. Hossain Imam, the Honourable Mr. Sapru, the Honourable Mr. Jagdish Prasad and the Honourable Khan Bahadur Syed Abdul Hafeez do not desire to move the amendments standing in their names. I have also been made aware that it is the general desire that there should be a general debate on the Motion and all the remaining amendments thereto, excluding that of the Honourable Mr. Chari, but that questions relating specifically to Burma or to India in its relation to Burma should be discussed separately from the more general question raised by the Motion. With a view to meet the desire, I propose to call upon the Honourable Rai Bahadur Lala Ram Saran Das, the Honourable Sir Phiroze Sethna, the Honourable Raja Ghazanfar Ali Khan and the Honourable Mr. Yamin Khan in that order to move their amendments without making any speech in support. When this has been

[The President.]

done, the House will proceed to a general discussion of the substantive Motion and of all these amendments, but no question relating specifically to Burma or to India in its relation to Burma will be open to debate. On the conclusion of this general discussion, I will put these amendments, or as many of them as may be necessary, to the House and will then call upon the Honourable Mr. Chari to move his amendment, the discussion on which will be strictly confined to questions relating to Burma and to India in its relation to Burma. Should one of the more general amendments have been carried, Mr. Chari's amendment will of course be moved by way of an addition to that general amendment.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to move the amendment which stands in my name and which runs as follows :

"That for the original Motion the following be substituted, namely :

1. That the scheme of constitutional reform formulated in the Joint Select Committee's Report is entirely unacceptable to this Council and to the bulk of the people of India and this Council therefore recommends to the Governor General in Council that he may be pleased to inform His Majesty's Government that the Council desires that legislation based on the Report should not be proceeded with. This Council further urges that immediate steps should be taken to frame a constitution which would establish real responsible government both at the centre and the provinces?

2. This Council does not deem it expedient to express any opinion on the Communal Award."

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Sir, my amendment would be as follows :

"That for the original Motion the following be substituted, namely :

'This Council is of the considered opinion with reference to the constitutional scheme as formulated in the Report of the Joint Parliamentary Committee that :

- (1) The scheme is unsatisfactory, inadequate and disappointing.
- (2) It is not what Indians were led to expect nor in consonance with Indian public opinion, or with the avowed object with which the Round Table Conferences were held.
- (3) The changes made in the Joint Parliamentary Committee Report in regard to some of the recommendations of the White Paper are distinctly worse and are a setback.
- (4) The avoidance of any reference to Dominion status is so deliberate and significant as to have given rise to the apprehension that the British Government intends to depart from the policy of conferring such status upon British India.
- (5) The powers proposed to be retained in the Governor General and the Governors, otherwise called 'safeguards' are so extensive, substantial and all-comprehensive that they will seriously interfere with the working of the constitution and seriously prejudice the advance of India to full responsibility both in the provinces and at the centre and to Dominion status.
- (6) The whole scheme should be so improved as to give substantial effect to the recommendations unanimously made by the British India Delegation in their Joint Report submitted to the Joint Parliamentary Committee."

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I beg to move :

"That for the original Motion the following be substituted, namely :

1. This House accepts the Communal Award so far as it goes until a substitute is agreed upon by the various communities concerned.
2. As regards the scheme of provincial autonomy this House is of opinion that it is a distinct advance on the present constitution but to satisfy the political aspirations of people the idea of second chambers in provinces should be abandoned and provisions relating to police rules, secret service and intelligence departments should be so modified as to make the transfer of law and order real and effective.

3. With respect to the scheme of central Government this House is definitely of opinion that it is retrograde and a setback to the progress of the country towards the realization of the ultimate goal of responsible government and therefore that either the federation should be confined for the present to British India alone and the method of election to the lower House should be direct instead of indirect or that the conditions laid down by the Indian States for their entry in the proposed scheme of federation should be radically changed and the safeguards substantially modified in consultation with Indian opinion so as to make the responsibility at the centre a reality."

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, I beg to move :

"That for the original Motion the following be substituted, namely :

'That this Council is of opinion that though the Report of the Joint Parliamentary Committee falls far short of the aspirations of the political parties in India and does not accept some of the demands put by the Indian Delegation to the Round Table Conference the constitution proposed under the scheme of the Report is a great advance on the present constitution and will be given a fair trial in working by the people of India."

THE HONOURABLE THE PRESIDENT : The debate will now proceed simultaneously on the original Motion as well as on the amendments. Honourable Members will be entitled to speak not only on the original Motion but on their amendments as well as on the amendments of their colleagues.

THE HONOURABLE SIR PHIROZE SETHNA : Mr. President, may I be permitted to make a submission? The question before the House which is to be discussed today, tomorrow and the day after is an all-important one—perhaps the most important since the Montagu-Chelmsford Reforms came into existence. Might we request that the rule in regard to the time limit may not be enforced on this occasion as otherwise it will be a hardship on the Members if we are required to finish our observations in the short space of time that the rule lays down. We trust, Sir, that you will accept our suggestion.

THE HONOURABLE THE PRESIDENT : Three days have been specially assigned for this debate and as I consider the request of the Honourable Member very reasonable I shall suspend the operation of Standing Order 61 and will not enforce that order very strictly. But I will leave it to the good sense and sound judgment of Honourable Members to make their speeches to the point and not unduly long so that all Members of this Council may have the opportunity of addressing the Chair.

THE HONOURABLE SIR PHIROZE SETHNA : Sir, the Honourable the Leader of the House has moved that the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration. From the number of amendments which have been tabled—although that number has been since reduced—I am sure the Honourable Leader does not expect that the House will approve of the Report which has emerged from the Joint Parliamentary Committee. Everything will depend upon the attitude of Government as to whether Government Members will be voting on the Resolution or otherwise. If the voting is left only to the elected Members then there is no doubt in my mind that one or the other amendment will surely carry the majority of the House with it. If, however, as was the case in the other place, Government Members are to vote we can foresee the result. I would like to point out that, if the Motion passes, all it will mean will be that the Report be taken into consideration and that the inference cannot be drawn therefrom that the Report meets with the acceptance of the House.

Sir, I should like to begin my remarks by explaining my own attitude towards the proposed reforms. I belong to that school of political thought in

[Sir Phiroze Sethna.]

this country which believes in the maintenance and connection of the British with India. But that does not prevent me from pointing out what defects there are in the proposed reforms. Sir, it was with this idea that, when the National Liberal Federation met six weeks ago at Poona, that I gave my views and I trust I may be pardoned for quoting my own words, which I used on that occasion. I said :

"I would like to make it clear that our unfortunate position is such that there is no possibility of rejecting the reforms, no matter whatever interpretation is put on the word 'rejection'. We will have to work the reforms *volens volens* in the circumstances in which we are placed. I may point out that we are assembled in the capital of Maharashtra, the native city of a great Indian leader, the late Lokmanya Tilak and I would remind you of his advice in regard to reforms, namely, 'take what you can get and fight for more'. It seems to me that this is all we can do and that is what we should do".

Whilst that is my attitude, I repeat it is perfectly open to us to point out wherein we consider the Report as defective. I would like to urge upon His Majesty's Government that in Indian opinion, the Report is unsatisfactory, inadequate and disappointing and to make it acceptable to the Indian public His Majesty's Government should try to introduce as many of the recommendations as have been made in the unanimous Memorandum of the British Indian Delegation, which they submitted to the Joint Select Committee. I am the only Member of this House who was one of the British Indian Delegation sent to confer with the Joint Select Parliamentary Committee. We hear criticisms in the Press and elsewhere to say that people are weary of hearing Indian criticism of the reform scheme to the effect that it is inadequate and disappointing. If they are weary of our criticism, we on our part are weary of the praise that is lavished on the Report as being best suited to present Indian conditions. I have considered the Report, not from a party point of view, and I am not blind to the conditions which prevail in this country, nor do I underrate or minimise the difficulties that exist which render it impossible for us to attain our goal of responsible government or dominion status, whatever you like to call it, immediately or within a reasonably short time, and yet I feel bound to give expression to the view, as I have set forth in the first part of my amendment, that the Report is unsatisfactory, inadequate and disappointing. In the subsequent parts—parts 2, 3, 4 and 5 of my amendment—I have tried to elaborate that description and in fact justify it by giving reasons why we consider it to be so, and in the sixth part, I have made a constructive proposal that the Report be altered in accordance with the recommendations made by the British Indian Delegation.

The Honourable the Leader of the House must recognise that almost all important sections of Indian opinion entirely disapprove of the Report. It is impossible to maintain that it has the support of any weighty section of the Indian public. Sir, I happen to be a Liberal. Our Party today does not hold the same place in the counsels of Government as it did at one time. But, notwithstanding this, the opinion expressed by the Liberal Party is bound to set the Government thinking. As the House is aware, at the last session of the National Liberal Federation held at Poona during Christmas week, it condemned it wholesale. So distinguished a statesman as the Right Honourable Srinivasa Sastri, one of the veteran leaders of the Party, condemned it in no unmeasured terms. I indulge in no exaggeration when I say that the nature and trend of the proposed constitution have given a severe blow to the faith which was prevalent in this country that India would attain responsible government or dominion status before long. The Report as it has emerged has exhausted the patience of many and perhaps the younger generation seem to believe that it would be futile to trust to methods of moderation in the

future. The National Liberal Federation passed their resolution unanimously. It was as follows :

"The National Liberal Federation of India records its profound regret at finding that the Joint Parliamentary Committee Report, instead of removing the glaring defect and shortcomings of the White Paper proposals that were pointed out by the Federation at its two previous sessions, has, in utter disregard of almost the entire body of Indian opinion of all shades, including the British Indian Delegation to the Joint Select Committee, introduced further highly objectionable and reactionary features, rendering responsible Government in the provinces and the centre, which the British Government profess to give to India, wholly illusory.

"The Federation is convinced that any constitution based on the lines of the Joint Parliamentary Committee Report will be wholly unacceptable to all shades of Indian political opinion and will, far from allaying, very much intensify the present deep political discontent in the country.

"The Federation therefore does not want any legislation based upon the Joint Select Committee's Report".

That is the Liberal view. The attitude of Moslems and other communal parties may not be identically the same as that of the Liberal or of the Congress Party, but I doubt if there is any one in the land, be he British or Indian, who can honestly say that this Report has the support of any weighty section in the country. If he says so, he must be considered to be either blind or deliberately dishonest with himself.

Sir, the underlying principles of the scheme are, as we know, three : (i) an all-India federation, embracing both the Indian States and British India ; (ii) responsibility at the centre ; and (iii) safeguards. We had accepted these principles at the first Round Table Conference. But it cannot be denied that a school of thought has grown up since which does not believe in federation and this is confirmed by the amendment passed at the other place last week. They seem to think that if Indian States are in the federation, it will postpone the attainment of responsible government or dominion status by British India to the Greek Calends. Their argument is that so long as the relations of the Indian States with the British Crown are governed by the paramountcy of the British Crown and do not rest on their free and voluntary association with the British Crown, the advent of dominion status is almost an impossibility. Even assuring that later on such dominion status is granted to British India alone, it would involve the disintegration of the federation itself. Be that as it may, we on our part adhere to what we agreed to in regard to the establishment of a federation. But my contention is that in giving effect to these principles, the scheme as it has finally emerged from the Joint Select Committee is not in consonance with the avowed object of the Round Table Conference or with the principles laid down by the Prime Minister himself in his statement at the first Round Table Conference as regards safeguards, when he said,

"In such statutory safeguards as might be made for meeting the needs of the transitional period, it will be the primary concern of His Majesty's Government to see that the reserve powers are so framed and exercised as not to prejudice the advance of India through the new constitution to full responsibility for her own government".

Now, Sir, this declaration which was subsequently endorsed at the second Round Table Conference by the National Government must be regarded as a pledge given by the National Government, that the safeguards will not only be so exercised but will be so framed as not to prejudice the advancement of India towards the goal of full responsibility. Instead what do we find ? We find that innumerable additional safeguards have been introduced which were not contemplated in the first instance, and of such a nature as will make the working of the constitution most difficult, if not impossible. I admit

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[Sir Phiroze Sethna.]

that the number of safeguards at first was not large and that more were introduced at a later stage, and I for one have no hesitation in saying that we have to thank a section of our own people for them for if the Congress had not, in season and out of season, made unnecessary attacks on Britishers and given out that when they come into power they would do their very best to harm British interests in this country, perhaps these later safeguards would not have been introduced. That is why I say we have to thank our own people for it.

The avowed object of the scheme was to bring about as wide a measure of general agreement as may be possible. A measure of agreement has been brought about, but not between the British Government and the Indian people; such agreement has been brought about only in the Conservative Party itself. High hopes were aroused at the first Round Table Conference, but those hopes became fainter and fainter as time went on and vanished into thin air. The British Indian delegates who sat with the Joint Select Committee in 1933 realized that a constitution was going to emerge which would never satisfy the Indian people as a whole.

Sir, the word "safeguard" has been used by the Joint Parliamentary Committee in a very comprehensive sense, as including the sole, the special and the discretionary responsibilities of the Governor General and the Governors in relation to legislation, in relation to day-to-day administration, and also as including provisions for safeguarding the legitimate interests of the public services. The Joint Parliamentary Committee have sought to justify the safeguards on the ground that they supply certain essential elements so necessary in a new constitution. These essential elements are mere commonplaces of political theory and as such we cannot object to them. But there is no warrant that such safeguards should be such as they are and as they actually have been framed.

The first essential is that a new constitution must contain within itself the seeds of growth, so that the country may by degrees attain to responsibility. I do not say that there are not such seeds of growth in the proposed constitution. They are such that the constitution might grow only up to a certain point and no further. But on the other hand, even these few seeds of growth might be in constant danger of being destroyed if the safeguards are frequently invoked or unwisely applied. The Secretary of State, His Excellency the Viceroy and the Governors of provinces have within the last two and a half months said that these safeguards will hardly ever be exercised. They are very optimistic indeed. For the 11 provinces of India you will require at a time 11 governors, and you will have to seek so many Admirable Crichtons who will not make use of these safeguards. Again, if the Governors do not exercise their special powers it will only be because of the servility and want of independence displayed by some of their ministers. These ministers in order to avoid the Governor using safeguards will first consult him as to any measures they desire to initiate, and if they find the Governor is opposed to any such measure the ministers will be servile enough to drop those measures.

THE HONOURABLE THE PRESIDENT: You are paying a very poor compliment to your ministers?

THE HONOURABLE SIR PHIROZE SETHNA: It is human nature. If the same conditions prevailed in England or in the Dominions I doubt whether the ministers there would act any differently.

The second essential is the necessity for securing strong executives. I do not for one moment deny the necessity for having strong executives even under responsible government, but I do deny that they should be strong and stable only by vesting the Governor General and the Governors with such vast powers as the new constitution proposes to give them.

The third essential element according to the Report is the necessity for providing a pure and efficient administration. Can such pure and efficient administration be only secured by according to the public services such special rights and privileges that are proposed to be accorded to them? These rights and privileges will create in them a spirit of complaint, nay, a spirit of revolt against the ministers. Whilst it may be true that no ground should be given to members of public services for unjustifiable discontent, is it not equally true that the ministers should not be made to feel that they are handicapped in the discharge of their duties, if the spirit of discipline is undermined or weakened as it is bound to be under what is proposed under this third essential.

I now come to the last essential element, that there should be an impartial authority to hold the scales even between conflicting interests and to protect those who have neither the influence nor the ability to protect themselves. That, Sir, is a calumny on the future ministers, to think that they will not protect or will not be able to protect those who can not look after themselves. Even conceding for the sake of argument that this impartial authority is able to hold the scales even between the Indian communities, I certainly doubt very much if it is possible even for the Governor General and Governors to hold the scales even if the conflict is not between Indian communities but between the Indian and the European communities. I regard it as the acmé of vanity to suggest that the gift of impartiality has been bestowed by Providence only on Britishers and it has withheld it from Indians. It reminds one of the passage from Milton which Mr. Stanley Baldwin has quoted more than once that when God Almighty wants anything good or great to be done he always seeks the help of the Englishman! Mr. President, the position of the ministers will not by any means be enviable. If a minister is strong and he has the courage of his convictions and a full consciousness of his responsibilities to his electorate, then, Sir, a conflict is bound to ensue. These safeguards therefore will act as Damocles' sword over the heads of these men. They will either have to yield and therefore fail to do their duty or conflicts must ensue with the Governors. The safeguards in the White Paper are extensive, substantial and all-comprehensive. The Joint Parliamentary Committee Report has made them far wider. In the provincial sphere, no change can be made in regard to Police Acts or in regard to police rules prior to obtaining the consent of the Governor given in his discretion. The Joint Parliamentary Committee goes still further. It assigns the central bureau to the Governor General's reserved departments thereby widening the scope of those departments. The White Paper recommended that so far as law and order were concerned a direction should be laid down in the Instrument of Instructions so that the Governor must remember the close connection between his special responsibility for peace and tranquillity and the internal administration and discipline of the police. As I have already pointed out, the Joint Parliamentary Committee has gone much further.

I now come to commercial safeguards. Sir, this is a very vexed question. Towards the end of the discussions with the British Indian Delegation, the Secretary of State one day said that he wanted to introduce one more safeguard and that was in regard to any penal legislation which the Central Legislature might introduce against British trade and commerce. This, let me say,

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was a bolt from the blue, for we had never before heard of this. We naturally asked the Secretary of State to be more precise and clear and better still to explain the meaning of what he had in mind by giving an illustration. The Secretary of State was either not able or willing to give us an illustration. We offered to give one. I gave this illustration and this was before the Indo-Japanese Pact was agreed to. I said that at the present moment Japan is buying lakhs and lakhs of bales of cotton from India. Japan at the same time is shipping her piecegoods to this country. If, in the future Japan insisted upon shipping more of her piecegoods and threatened us, otherwise to buy no cotton or cotton in diminished quantities, I asked the Secretary of State if that could be regarded as penal legislation. His emphatic reply was, "No", that would not be regarded as such. That is my clear recollection, and yet what do we find in paragraph 345 of the Report? According to that paragraph and according to what follows later, it is perfectly clear that that would be regarded as penal legislation. If proof were wanting let me refer to a speech made by Mr. Randolph Churchill the other day when he was contesting a bye-election. Mr. Randolph Churchill said that the 25 per cent. duty on Manchester piecegoods in India is a penal legislation, that it should be reduced to 12½ per cent. and if that is done bread will be put into the mouths of 50,000 more operatives in Lancashire. It is fortunate that Mr. Randolph Churchill has not been returned this time, but he may be returned hereafter. He with his father and with many other friends who share the same views, will contest this point and will always be ready to sacrifice the interests of India for the benefit of Lancashire.

Very much more can be said in regard to these commercial safeguards, but I will only refer to one which I regard in the Report as the grossest piece of injustice that has been done to this country. I refer to the non-reservation of the coastal trade of India to Indian shipping. This agitation has been carried on for a long time and it was expected that at any rate in this matter the Home Government will be sympathetic. As the Honourable House will remember, the Government of India appointed a Committee known as the Indian Mercantile Marine Committee. Speaking of that Committee, Lord Irwin, then Viceroy of India, said that it was an ambition worthy of India that it should have its own mercantile marine and that the ships of that mercantile marine should be officered as well as manned by Indians. The Committee's Report stated that the eventual reservation of the Indian coasting trade for ships the ownership and the controlling interest of which was predominantly Indian was the only effective way of building up an Indian Mercantile Marine. This House knows that British shipping interests in India have done their very worst to strangle Indian shipping companies. Lakhs and lakhs of rupees of Indian capital have been lost in the effort to compete against these British interests. May I remind the House of the Haji Bill which would have nearly passed were it not for the fact that the life of the then Assembly became extinct. The bitterest opponent of the Coastal Bill, or one of the bitterest, either here or in England was the *Statesman* of Calcutta, and it will interest this Honourable House to know the admission made by its former editor Sir Alfred Watson when he gave his evidence before the Joint Select Committee. These were the words he used:

"I am bound to say speaking as a European that the Indians have a case for a large share in their coastal shipping and although I opposed the Bill very strongly because it savoured of expropriation I recognize that Indian company after Indian company which endeavoured to develop a coastal service has been financially shattered by the heavy combination of the British interests."

This, Sir, is the testimony of one who was courageous enough to make this admission before the Joint Select Committee. This only goes to prove

my assertion, but because Sir Alfred has referred to expropriation I might be allowed to inform the House for I do not believe that everyone here is aware of this fact—that Lord Irwin called a conference of shipping interests, British and Indian, at Delhi, where I was also present as representing one of the Indian shipping companies, where we made it quite clear to the Government through Lord Irwin that expropriation was never our idea, that if the Government of India thought that by reserving the coastal trade to Indian ships a compensation had to be given to the British shipping interests that no one present there nor the Legislature would refuse to give any adequate compensation that Government thought was necessary to such British companies. The Joint Parliamentary Committee's Report justifies its not reserving the coastal trade to India on the plea of reciprocity which means that if we desire to send our ships to ply in British waters there is nothing to prevent us from doing so. To say so is to my mind not only positively absurd but it is downright hypocrisy. Can you believe for a moment that, circumstanced as we are, it would be possible for Indian shipping interests to go and compete with Great Britain in European waters?—and nobody knows that better than members of the Joint Parliamentary Committee. Therefore this contention of reciprocity is mere sham. Let me explain to you that in England in the rules of many of the commercial bodies and associations there is no objection to others than Englishmen becoming members. That however is only on paper. In actual practice it is quite different. Will the House be surprised if I tell them that not once or twice but a score of times attempts were made by members of Indian firms in England to enter the Baltic Exchange. Somebody has got to propose and some one else second. Not one Englishman was found to propose or to second the nomination of an Indian until the head of Ralli's (Mr. Demetriadis) only five or six years ago took up the matter and succeeded in getting one or two Indians enrolled. The same thing applies to other commercial bodies in London. Take the case of the Indian Commercial Sale Rooms. The first time that an Indian was admitted there was on the 17th December, 1929. I mention this date because the *London Times* in its issue of the next morning made a comment which is worth quoting. It said:

"Hitherto by tacit understanding observed over a long period admission to the Rooms has been restricted to English merchants. As a consequence the principals of Indian firms in this country have been placed at a considerable disadvantage. Although one is a member of the London Jute Association they could only deal on the exchange through often junior members of the staff. . . . That a privilege freely available in the past to foreigners has in practice if not by rule always been denied to His Majesty's Indian subjects has long been a grievance with members of the community."

This will make it clear to the Honourable House that the question of reciprocity, to which the authors of the Joint Parliamentary Committee attach so great an importance is, as I have said, nothing short of hypocrisy. Reciprocity, if it is not to result in unfairness must imply a certain measure of equality or similarity of conditions. These conditions do not prevail between England and India and therefore such reciprocity is tantamount to a fight between a giant and a dwarf and you can judge with what result.

Another fact which is also, I am sure, not generally known to the Members of this House, is that Government desired to exclude the Japanese from doing what little they are in the matter of the coastal trade of this country. Government went into facts and figures. They found that such a trade in Japanese bottoms was next to nil. They thought better of it but the real incentive for not pressing the point was that the British Government got alarmed that if the Japanese were not allowed to carry on the coastal trade to the small extent they are doing in India, they would meet the same by reprisals against

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British shipping in other parts of the world. The claim is made that Great Britain allows all foreigners to ply in British waters. I know they do. But I also know that they raise no objection for the very good reason that the total amount of the coastal trade in foreign bottoms in English waters is less than two per cent. If it rose to 20 per cent. do you think for one moment that they would not try to put a stop to it. I leave it to you to draw your own conclusions.

The Joint Parliamentary Committee now gives British shipping interests an absolutely free hand to go on as they were doing, and therefore coastal reservation for Indians is absolutely knocked on the head. Now, if we made this proposal to reserve the coastal trade only to Indians it was nothing out of the ordinary. The House may be aware that some years ago the League of Nations instituted an inquiry to find out how many countries in the world did so reserve their coastal trade to their nationals. They published their report in 1931 and according to that report, 27 out of 32 countries did so reserve their coastal trade to their nationals. The five that did not were Belgium, Denmark, Norway, Haiti and Siam, and the last two have of course no coastal trade of any consequence. Great Britain is not included in this 27 for the reason that Great Britain has had its own navigation laws for the last hundred years, but even now there is a proposal to reserve British imperial coastal trade to British ships.

Sir, at the first and second Round Table Conferences, very great importance was attached to the subject of key, basic or infant industries, as they are called, being also restricted to nationals. A formula was reached but a complete go-by has been given to this as well by the Joint Parliamentary Committee. That is something which makes us feel that the claims of India have been ruthlessly ignored. And why is that done? Because Great Britain is conscious of its overpowering strength and equally conscious of India's utter helplessness, which has enabled them to propose a constitution for India which they have not dared to propose in the past or will dare to propose in the future to any other part of the British Empire.

I now come to another subject, administrative discrimination. Let me explain my meaning by an illustration. Supposing a provincial Government wants a certain work to be done. If an Indian tenderer has asked for Rs. 10,20,000 and a British firm Rs. 10 lakhs, and although the fact is patent that the Indian contractor will get the required work done in India and will give employment to perhaps hundreds of Indians, yet, simply because the Indian contractor has asked for Rs. 20,000 more, the minister will be charged with having exercised administrative discrimination in passing over the British tenderer. There are many instances in regard to administrative discrimination which were put before the Select Committee. I will not take up the time of the House after the advice you gave, Sir, not to unnecessarily prolong the debate but I will just give one instance which occurs to me at the moment. Supposing the Bengal Government, for Government requirements needs a 100,000 tons of coal, and it buys that coal of exactly the same quality and exactly the same price from an Indian-owned colliery and not from a British-owned colliery, would that be administrative discrimination or not? As far as I can read the plain language of the Joint Select Committee Report, it would be such. I ask again, is this fair and just?

I now take up the subject of defence. As regards defence, the Report says that defence hereafter would be exclusively the province of the Governor

General. What is the case today? Under existing conditions, the civil and military government of India is carried on by the Governor General in Council. Section 33 of the Government of India Act lays down that the superintendence, direction and control must be with the Governor General in Council. Section 41 of the same Act lays down that the Governor General is bound to carry out the wishes of the majority of his Council. If he thinks that by doing so the tranquillity, safety or the interests of the country or any part thereof will be seriously affected, then he can take any action on his own in spite of the majority against him. But it is also laid down that if he does take action in that way, then if any two dissentients so desire, he should report his action to the Secretary of State and forward to him also the dissenting minutes. That is the present legal position. As we know, at the present moment, there are three Indian Members of Council, with equal powers as their European confreres. These three Indians therefore have some share in the control of the military administration of this country at the present moment, which will be altogether denied to Indians in the future. It is true that the Report lays down that for his reserved department, the Governor General will have the right to appoint two or three counsellors or advisors. It may be that one of these counsellors may be an Indian. It may further be that that Indian is in charge of the portfolio of defence. But I contend that the power of the Indian Advisor under the new constitution will be by no means equal to the power which is enjoyed today by the three Indian Members of Council. This, as the House will see, is positively reactionary and a distinct setback. This change has a vital bearing on the future of this country so far as its attainment of full responsibility is concerned. The Joint Parliamentary Committee has agreed in principle that the defence of India must to an increasing extent be the concern of the Indian people and not of the United Kingdom alone. If we consider along with the provisions for defence, the policy which has been pursued of late in regard to the Indianization of the different branches of the army, the conclusion is irresistible that the development of India into a nation with the full attributes of nationhood, such as are possessed at present by the British Dominions is not only problematical but perhaps impossible. There is a growing feeling in the country that the defence of India will be taken up by the British Government as an imperial department, thereby making full federal responsibility and dominion status absolutely impossible. There is every possibility of the view being urged that the defence of India means the defence not only of British India but also of the States and inasmuch as the British Government have guaranteed by treaties the security of the Indian States against both external and internal attacks that, therefore, defence should not be relegated to Indians but should be kept in the hands of the British. It may be argued that defence can therefore never be completely transferred to the Indian people but must remain an imperial concern. These are some of the possibilities of the scheme. They certainly are not fanciful speculations.

A great deal of adverse criticism can be offered in regard to various other recommendations of the Report. I will however conclude by referring to only two more. The first is in the matter of indirect elections. That is a positive setback. I will not say any more about it today except to point out that in my view the Government of India will consider it in their own interests to see that election to the federal Legislature is once again made direct.

I now come to that vexed question of dominion status. I note that five days ago, the Secretary of State gave an explanation in the House of Commons. His excuse for not making any mention of it so far was, to my mind, a very

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lame and very halting one. He said there is no reference to dominion status in the Report because it is not proposed to have a preamble to the new Bill and such preamble is not necessary because the Act of 1919 is not to be repealed. What I want to know is this. The Report was published on the 22nd of November last both in England and in India. Ten weeks have elapsed since then. The Secretary of State himself has had occasion to address the House of Commons on the Report more than once, perhaps twice, or if I remember rightly, thrice. He had occasion to speak in public at different centres, at Oxford and elsewhere. He broadcasted his views on the Report. Why did he keep back the information for these ten weeks which he might very well have conveyed on the very first day. I cannot help saying that his keeping quiet all this time leads us to suspect that there is something else behind the scenes and it is not that he is now bowing to Indian opinion, and if he is bowing to Indian opinion in the hope that this act of his is going to turn India into admirers of the Report, I may say he is indulging in vain hopes.

The scheme requires to be altered on the lines of the recommendation of the British Indian Delegation, and it is only then that it can become acceptable to India. I admit with my Honourable friend Mr. Yamin Khan, that the Report is certainly an improvement upon the existing Act, but not to the extent and in the directions that we had been led to expect as a result of the deliberations of the last seven years. As a signatory myself of the Report of the British Indian Delegation, let me assure the House that we were actuated by only one motive, and that motive was to solve satisfactorily the vexed Indian problem and to bring about and to place the Indo-British relations on impregnable foundations.

Mr. President, five days ago, speaking in the other House, the Honourable the Home Member, Sir Henry Craik, observed that if he were an Indian he would have no hesitation in admitting that the Report fell short of expectations. I wonder if he meant his own expectations or the expectations of the Government of India. He went further and said that if he were—

THE HONOURABLE THE PRESIDENT: I would advise the Honourable Member not to quote the speeches of Honourable Members in the other House.

THE HONOURABLE SIR PHIROZE SETHNA: Very well, Sir. My only object was to say that if an officer like the Honourable the Home Member says so, there ought to be no wonder that we Indians consider the Report as utterly unsatisfactory, wantonly inadequate and thoroughly disappointing and by no means helpful in promoting better relations between Indians and Britishers in this country. I will conclude by saying that England cannot govern India without the goodwill and co-operation of Indians. Let me quote the *Manchester Guardian* of January 22nd:

"The saddening thing is the depressing unanimity with which the Congress, the moderate Hindus and the Moslems alike insist that the proposals are permeated by British distrust of India, which has influenced the framing of the details of the constitution, the tightening of the safeguards and to the avoidance of any reference to dominion status". The paper adds that "some vital touch of sympathy, a promise at present lacking from the chilly clauses of the reforms, will have to be supplied if whole-hearted co-operation is to be anticipated".

That exactly is the view which we Indians generally hold. The whole Report is based on a complete distrust of Indians. Turn to whatever chapter you like, they do not trust the Indian for anything. That, Sir, is most repugnant to us Indians. They ask us to trust the Englishman. They will not

trust Indians. But the belief today is that the Englishman's word today is not what it was in the past. Things have changed, and I am reminded of the evidence of a great civil servant who appeared before us and whom all of you know, Sir Charles Innes. He said that at the beginning of his career when he came out to India he saw a marginal note by his superior, Sir Denzil Ibbetson, on a file sent up to him. The words were:

"The one thing we Britishers cannot afford to do in India is to give the Indian even a colourable excuse for charging us with breach of faith".

THE HONOURABLE THE PRESIDENT: I have already allowed the Honourable Member one hour. Will he now bring his remarks to a close.

THE HONOURABLE SIR PHIROZE SETHNA: I have finished. I have nothing more to add, except to say that to bring about goodwill and co-operation the best course for the Government will be to accept the last part of my amendment, namely, to modify the Report in the terms of the recommendations of the British Indian Delegation which, if it does, I am sure the gulf which is existing today will be bridged. Otherwise I am sure, not only will that gulf be widened, but that it will do greater harm to British interests than to Indian. (Applause.)

THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA (Bihar and Orissa: Nominated Non-Official): Sir, I welcome this opportunity of once again expressing my opinion on the Report of the Joint Parliamentary Committee, whose recommendations have been embodied in the Government of India Bill, now before the British Parliament. I am aware that the only purpose of initiating debates on this question in the legislatures of this country is to know what India thinks about it, and I intervene in it mainly to indicate how the landholders, particularly of Bihar and Bengal, feel in the matter.

It cannot be gainsaid that no section of the Indian people is satisfied and why? I clearly see the word "distrust" writ large on the proposed constitution for India. Distrust between the rulers and the ruled, distrust between different communities, distrust between various classes and interests influencing the social and economic life of this country, caused by a predominating sense of self-interest, is responsible for the production which is before us for consideration. We fought with one another for safeguarding the rights and interests of our respective groups and now when we see the complete picture of what we have been able to bring about we note that there is a genuine and universal feeling that the remedy prescribed for our constitutional disease is worse than the disease itself. Attempts have no doubt been made to compose our internal dissensions but unfortunately we have miserably failed so far. Thus circumstanced, we cannot expect that our aspirations will be fulfilled and our common goal will be reached. If, instead of wasting our time and energy in following the negative policy of rejecting the scheme of Government, we utilise them for formulating another with the common consent of every section of the people of this country no power on earth will be able to resist our united demand. The Leader of the Congress Party in the other House said the other day that if they destroyed, they would do so in order to build. I wonder if he has any model for his proposed structure ready to take the place of the one which he is out to destroy. Would it not have been more convincing if he would have kept a house which we would all have liked ready for our occupation before asking us to demolish the one which the foreign masons and artisans have, after labouring hard, built for us. They have done so in their own style and

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according to their own tastes and notions. But it is indeed difficult to choose between a bad thing that exists and a good thing that does not exist. I feel that so long as we are not able to unite on a common platform and frame an agreed constitution we cannot get away from the fact that whether we like it or not we shall have to accept whatever constitution—good, bad or indifferent—we get from our rulers and work it to the best of our ability for the furtherance of our cause. The moment we have achieved unity, safeguards will be useless, autocratic powers of the Governor General and Governors will be dead letters and our demands will be wholly met. For the present, however, we cannot help looking at the scheme from any other point of view than of safeguarding the position of the class, community or interest to which we belong.

Sir, like others, the landholders too have their apprehensions about the suitability of the proposed constitution to their needs. I need hardly say that the class has always stood for peace and ordered government. For this reason they are not infrequently being threatened with annihilation by the revolutionaries. That is, of course, not going to divert them from the path which they believe to be right. But they cannot help feeling that in the new constitution their position will be weak and ineffective and it will be extremely difficult for them to exert their influence in the manner and to the extent they have been hitherto exerting. Our demands were very ably placed before the Joint Parliamentary Committee by my esteemed friend the Maharajadhiraja Bahadur of Burdwan and other representatives of the landlords and we are grateful to them for all that they did to protect our interests, in the altered circumstances of the country. But we note with regret that they have been only partially and inadequately met and we have not got the protection we need for our existence. The part which the landholders have played in the past in bringing about the moral and material progress of the country is too well known to need recapitulation. But the general tendency of late has been to disparage their utility and weaken their position. They are in a fix. They want to continue to play their part for the all-round progress of their country but they find that, situated as they are, they cannot do so. If their position would have been strengthened as they had wanted, they would have surely exercised tremendous influence in the legislatures of the country which is being democratized. That would have been a safeguard, and a very effective safeguard, against any hasty or ill-conceived action of the democratic legislatures. That would have obviated the necessity for the use of many of the autocratic powers which the Governors and the Governor General are going to get under the new constitution and opportunities would thus have been given for the display of the utility of the traditional traits of this important class.

Sir, we view with a good deal of misgivings that permanent settlement on which so many zamindaris are based have not been placed beyond the range of controversy. The landholders have no confidence yet in the legislatures in which they are likely to be inadequately represented. As I have indicated not long ago in Calcutta while addressing the All-Bengal Landholders' Conference that the possibilities are that the zamindars will be able to capture very few general seats independently. They have been so much misrepresented and their position have been so much weakened that they cannot hope to have any party of their own having appreciable strength in the legislatures. We have seen that such zamindars as belong to non-zamindar parties have generally to subordinate their interest to the party programme and their presence in the legislature does not better our position. The Government of today we know. The legislatures of today have also become familiar to us. So although the legislatures could repeal the enactment embodying permanent settlement

we have the confidence that they would not do so. But we do not know what will be the character of the future legislatures and future ministry. Of course, the Governor has the ultimate power to undo the wrong done by the legislature but we are apprehensive of the fact that in the event of the pressure of legislatures it will be difficult for the Governor or Governor General to protect the permanently settled proprietors. Further, the imposition of taxes on agricultural income and inheritance, as well as matters like reduction of agricultural rents, are bound to have a serious effect on the position of the zamindars in the permanently settled areas. That is why we wanted to have a provision inserted, among the fundamental rights, to the effect that the permanent settlement would not be disturbed. We do not appreciate the argument of the Joint Parliamentary Committee for treating us differently from talukdars, imamdars, etc. In fact the danger to all of these is of the same character. If legislation altering the character of the permanent settlement would at least have required the previous sanction of the Governor General or Governors the situation would have been undoubtedly better and the chances of friction between landholders and their opponents would have been minimized.

It may be said that although my apprehensions about representation may turn out to be true so far as the provincial Assemblies are concerned there is no reason for such an apprehension in regard to the provincial Councils. That is unfortunately not so. We have got the experience of elections to the present-day Council of State and even there we have seen that when the Congress Party tried to capture the seats their proportion was quite high and they could defeat some of our stalwarts. The case of Bihar and Bengal deserve special mention in this connection. The House will note that the composition of the provincial Councils in these two provinces will be different from those in the United Provinces, Madras and Bombay. In the latter there would be no representation from the lower House. But take the case of Bihar. Out of 30 seats 12 will be elected from the lower House and the majority party in the lower House will get a majority of these, 14 will be directly elected and I have already said what hard facts are regarding Council of State elections in the event of the contest of a dominant political party with partiality for "have nots". There remain three or four seats to be filled by nomination of the Governor. Here again we do not expect much. Apart from the question that the landlords will not like to take up that position the Governor will have to reconcile so many inequalities and satisfy so many interests that I doubt whether he can give more than one or two seats to the landlords.

I was reading the other day the report of the proceedings of the debate that took place in the East India Association on a paper on the Joint Parliamentary Committee Report read by Lord Zetland. I found myself quite in agreement with the criticisms of the Maharajadhiraja Bahadur of Burdwan regarding the proposed upper Houses and I solicit the indulgence of the House for quoting the same.

"The next criticism that I have to offer is in connection with the proposed upper House. I am glad to know that it is proposed to make these upper Houses, or rather their lives, permanent so far as it may be possible for human hands to make them. But I miss in the formation of these upper Houses the stabilising element of the representatives of the baronial houses of Agra and Oudh or Bihar or the great zamindars of Bengal.

"Only yesterday I was looking at a book by Sir William Barton, just published, called the *Princes of India*. Any one on going through that book will realize that it was by a mere accident that some of those who are today known as the barons, or talukdars of Oudh, and the great zamindars of Bihar and Bengal, were not regarded as rulers of Indian States. It would be a great pity, a very great pity indeed, for this element not to find a

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right place in the upper Houses of the provinces. (Applause.) I know it has been proposed that the Governors of the provinces should have the power to nominate. The privilege of a nomination by a Governor will not have the same value in the new Councils. However much power he may possess to keep law and order or to protect minorities, the Governor will not be able to get by nomination representatives of these old houses to come and give their services. They will wish to come through some electoral college of their own. I think that the lack of some such arrangement is a very regrettable omission."

While replying to the debate Lord Zetland agreed with the contention of the Maharajadhiraja Bahadur but expressed the opinion—rather the wish—that the recommendations of the Joint Parliamentary Committee would bring about the desired result. He said:

"With regard to what the Maharaja said as to the baronial houses in India, I agree with him entirely that it is of the utmost importance that we should have representatives of the great zemindars, the taluqdars of Oudh, and so on, particularly in the upper Chambers, and I think with the electorate proposed for the upper Chambers there is every prospect of our securing that. At any rate, I hope my noble friend will follow the example of the baronial house in this country and throw himself into the fray and will not refrain from using the great authority he has in the future political life of his country."

Sir, I am not as optimistic about the result as Lord Zetland is. I must confess that I have been sorely disappointed with the proposed composition of the second Chamber. I have all along been an ardent advocate of it but the model before me was the House of Lords in the United Kingdom. If in a country like that which is familiar with democracy for such a long time such a House is necessary it is certainly extremely essential for India which is just taking its elementary lessons in that form of government.

Before I pass on to another subject I should like to refer to an amendment which puts second Chambers in the category of objectionable features of the Joint Parliamentary Committee scheme. This is certainly not the House in which I had expected to come across a statement like this. I fail to understand that if a second Chamber is so bad why my Honourable friend has taken the trouble of entering it. Is he following the policy of destruction from within? I take it that this House is sufficiently conscious of its own utility and the utility of similar Houses of revision and check in provinces with a thoroughly democratic lower House to reject his proposition.

So far as the federal legislatures are concerned we notice that the federal Assembly will be elected by the provincial Assemblies. The special representatives of the landlords will be only seven in a house of 375 members.

If their number in the provincial Assemblies is meagre, as is apprehended, they cannot increase that figure by capturing the general seats. Similarly, in the federal Council of State much will depend upon their number in the provincial Legislative Councils and I have just explained to the House my fears about the same.

Thus situated, the landholders have a feeling of despair about their security in the future constitution of India. We now look to the British Parliament for giving due consideration to our moderate demands. When safeguards have been provided for so many different things, we claim that they may be extended to our case too. We cannot at present comprehend how the democracy guided and controlled by autocracy will work and how best we can safeguard our position and promote the peace and prosperity of the country in that altered condition. Democracy we can understand. Autocracy, too, we can understand. But we have yet to see what effect the mixing up of the two will produce.

Before I conclude, Sir, I must draw the attention of the House to one thing which I consider to be of vital importance to the Sanatanists. The Joint Parliamentary Committee has deliberately violated the assurance of religious neutrality given by Her late Majesty Queen Victoria of revered memory to her subjects in India. Up till now we had the safeguard in the constitution that matters affecting religion or religious rites and usages required previous sanction of the Governors or Governor General for being brought before the legislature. The safeguard was considered to be essential even by the Provincial Sub-Committee of the Indian Round Table Conference of which I had the honour to be a member. But that safeguard is going to be taken away. The grounds given by the Joint Parliamentary Committee for the same are, to my mind, frivolous. It has alarmed the orthodox Hindus beyond measure. Perhaps the Committee was led away by the hue and cry raised by the handful of social reformers, and did not appreciate the feeling of the vast bulk of the people whose life is indissolubly mixed up with religious usages and practices. They have overlooked the fact that these Sanatanists, who take the sovereign to be an incarnation of God on earth, have ever been devoted and loyal mainly on account of the fact that they believe that the sovereign alone can protect their religion which is everything to them. That belief was strengthened by the declaration of the great Queen. The Committee has shaken that belief and has paved the way for shaking their loyalty. I view it with grave apprehensions and I consider it to be my duty to warn the Government against taking the matter lightly. It is full of dangers. India is still essentially a land of religion. Religious sentiment, as we know, was at the bottom of the great Indian Mutiny. Religious sentiment plays a great part in the Hindu-Moslem strife. Religious sentiment goads the martial Sikhs to action. They should not think by the agitations for social reforms that the religious-minded people are too few to be taken any account of. They should not minimize the strength of orthodox feeling.

I am one of those, Sir, who feel that a heterogeneous house consisting of people following different religions, different social practices is not the proper authority to make changes in any of them. Social reform must be effected from within by the society concerned. It is idle to think of social reform by legislation, because unless backed by the popular will, such legislations are honoured in their breach than in their adherence. It is by the voluntary determination of the societies themselves that we can effectively bring about such reforms. All these rites and usages have a long history of their origin and growth and it is difficult for people who do not belong to the particular community or sect to appreciate the importance of the religious rites followed by it. Further when we see that even the religion of the materialistic West has been properly safeguarded by giving to the Governor General and Governors special responsibility for *ecclesiastical affairs* we wonder why encouragement has been given to destroy the religions of the spiritualistic East by the withdrawal of the safeguards they hitherto had. The abandonment of the policy of religious neutrality will I feel sure throw the apple of discord into the political arena and apart from dividing the Indian people more and more will shake their faith in British pledges. I earnestly appeal to the British Parliament that it may review the matter sympathetically and allow the present policy and legislative safeguard to continue.

With these remarks, Sir, I resume my seat.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, the Simon Commission proposals were bad; the White Paper proposals were

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worse; the Joint Parliamentary Committee proposals are the worst of all. The pledges and promises made to India on behalf of Great Britain have been cast to the winds. Mr. Macaulay speaking from his place in Parliament on the occasion of the enactment of the Charter Act of 1833 said in words of prophetic inspiration :

"It may be that the public mind of India may expand under our system till it has outgrown that system; that by good government we may educate our subjects into a capacity of perfect government; that having become instructed into European knowledge, they may demand European institutions. Whether such a day will ever come, I know not, but I will not attempt to revert or retard it. Whenever it comes it will be the proudest day in English history".

Indeed the goal and British policy in India was never absent from the minds of the more thoughtful statesmen, even before the transfer of control from the East India Company to the Crown. Clause 87 of the Charter Act of 1833 declared in unambiguous terms :

"That no native of the said territory nor any natural born subject of His Majesty resident therein shall by reason only of his religion, faith or birth, descent, colour or any of them be disabled from holding any place, office or employment under the Company".

The Court of Directors in forwarding the Act to the East India Company declared :

"It is fitting that this important enactment should be understood in order that its full spirit and intention may be transfused through our whole system of administration".

When in 1833 the revision of the Company's Charter came up for discussion in the Commons the opportunity was fully availed of to "emphatically insist" that the British people and the British Parliament should be no party to the unfaithfulness of reducing a Parliamentary enactment to a dead letter, a sham and a delusion.

At the end of the Mutiny, the Government of India was transferred to the Crown. Her Majesty Queen Victoria proclaimed on November 1st, 1858 :

"We hold ourselves bound to the natives of our Indian territories by the same obligations of duty which bind us to all our other subjects and these obligations by the blessings of the Almighty God we shall faithfully and consciously fulfil".

This Proclamation was explained by the Queen herself in a letter written by her to Lord Derby, *inter alia* she stated :

"Such a document should breathe feelings of generosity, benevolence and religious feeling, pointing out the privileges which Indians will receive in being placed on an equality with the subjects of the British Crown and the prosperity following in the train of civilization".

And the good Queen directed her Minister to issue a proclamation giving them pledges which her future reign is to redeem.

In 1887, the great Queen reiterated that the principles of that Proclamation should be unswervingly maintained. King Edward the VII in his Proclamation to the princes and people of India on the occasion of the 50th anniversary of the transfer of the Government of India to the Crown on

November 2nd, 1908, directed Lord Minto, the then Viceroy of India, to proclaim :

"From the first the principles of representative institution began to be gradually introduced and the time has come, when in the judgment of my Viceroy and Governor General and others of my Councillors that principle may be prudently extended. Important classes among you representing ideas that have been fostered and encouraged by British rule claim equality and citizenship and a greater share in legislation and government. The politic satisfaction of such a claim will strengthen not impair existing authority in power".

On ascending the throne in June, 1911, His Majesty King George the V repeated these pledges and said :

Queen Victoria of revered memory addressed her Indian subjects and the heads of the feudatory States when she assumed the direct government in 1858 and her august son my father of honoured and beloved name commemorated the same most notable event in his address to you some 50 years later. These are the Charters of the noble and benignant spirit of imperial rule and by that spirit in all my time to come I will faithfully abide".

This sense of unity and brotherhood of the Empire was quickened by comradeship in arms during the Great War of 1914, when announcing the despatch of Indian troops to France Lord Harding the then Viceroy said :

"I cannot help feeling that as a consequence better relations will be promoted amongst the component parts of the British Empire. Many misunderstandings will be removed and outstanding grievances will be settled in an amicable and generous manner. In this sense out of evil good may come to India and this is the desire of us all".

When the epic story of India's help was recited in the House of Commons Mr. Asquith the then Prime Minister stated :

"He did not think that in all the moving exhibitions of national and imperial patriotism which the war has evoked there was any which had more touched and rightly touched the feelings of this House and the country, than the message sent by the Viceroy of India announcing the magnificent response which the princes and people of that country made to our need".

On August 20th, 1917, Mr. Montagu declared in the House of Commons that the policy of His Majesty's Government was :

"The gradual development of self-governing institutions with a view to the progressive realization of the responsible government of India as an integral part of the British Empire".

His Majesty the King Emperor in his memorable message of the 9th February, 1921, which was read by His Royal Highness the Duke of Connaught inaugurating the Council of State and the Legislative Assembly said :

"For years—it may be for generations—patriotic and loyal Indians have dreamt of Swaraj within my Empire and widest scope and ample opportunity for progress to the liberty which my other dominions enjoy".

Speaking on the same occasion on behalf of His Majesty and with the assent of his Government His Royal Highness said :

"For the first time the principle of autocracy which had been wholly discarded in all earlier reforms was definitely abandoned. The conception of British government as a benevolent despotism was finally renounced and in its place was substituted that of a guiding authority whose role it would be to assist the steps of India along the road that in the fulness of time would lead to complete self-government within the Empire".

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Mr. Winston Churchill himself who was at the time Secretary of State for the Dominions and Colonies said in the Imperial Conference in 1921 :

"India was now coming into our affairs and counsels as a partner. We well know how tremendous was the contribution which India made in the war in 1914. How, when there was no other means of filling a portion of the front by men from any other part of the whole world there came the two splendid Indian corps, which were almost annihilated in the mud and the shell fire of that terrible winter in Flanders."

But the most important of his speech from the point of view of India—and the speech was made to the representatives of the Dominions and of India was as follows :

"We owed India that deep debt and we look forward confidently to the days when the Indian Government and people would have assumed fully and completely their dominion status."

Mr. Ramsay Macdonald the Prime Minister speaking on July 2nd, 1928 observed :

"I hope within a period of months rather than years there will be a new dominion added to the Commonwealth of our Nations, a dominion of another race, a dominion that will find self-respect as an equal within this Commonwealth. I refer to India."

Speaking in the House of Commons on December 18th, 1929, Mr. Wedgwood Benn the then Secretary of State for India observed :

"The goal of British policy in India has been declared to be the achievement of dominion status and I must trace briefly in outline the history of some Indian events in the course of the last ten years. In 1919 plenipotentiaries on behalf of India signed the Treaty of Versailles and India became a separate entity and an original member of the League of Nations..... Now let us show the dominion status in action. India has an Indian acting as High Commissioner. India sent out to South Africa to negotiate in regard to Indians in South Africa one of the most distinguished members of their Government Sir Muhammad Habibullah. India has played a large part in international labour matters, has a seat on the governing body of the International Labour Office."

He then referred to the separate representation of India at the five Naval power conference in London and said :

"Just as in the history of every dominion it has not been a matter of legislative change but of use, custom, want and tradition which have built up these powers, the same procedure is proceeding rapidly in the case of India today."

THE HONOURABLE THE PRESIDENT: I am afraid the Honourable Member is not strictly speaking on the Joint Select Committee's Report.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: As several responsible statesmen in the House of Commons have tried to repudiate these pledges and promises, I thought it expedient for me to refer to them in detail.

THE HONOURABLE THE PRESIDENT: You have got the latest assurance of the Secretary of State that these pledges will not be broken.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: On that recent assurance, Sir, in the debate on the Joint Committee Report in the House of Commons Mr. Churchill and Sir J. Wardlaw Milne and others have said something which I will now relate and which will show that mere promises on behalf of the Secretary of State or even of a sovereign do not hold power.

That was the reason why I went into a brief history of how these pledges and promises were given by various Sovereigns and various Cabinet Ministers and how they have been violated.

In his evidence before the Joint Select Committee Mr. Churchill went back upon his own words and repudiated the promises of dominion status made by responsible members of the Government, including himself.

"as no more than what politicians often have to do in an agreeable speech on a festive occasion. Those words were used in a merely ceremonial sense", he said "and were not to be taken literally or seriously".

He went on to add :

"No member of the Cabinet meant, contemplated or wished to suggest the establishment of a dominion constitution in India in any period which human beings are to be taken into account".

Sir J. Wardlaw Milne, Chairman of the Conservative M. P. India Committee said in the course of a debate in the House of Commons :

"No pledge given by any Secretary of State or any Viceroy has any real legal bearing on the matter at all. The only thing that Parliament is really bound by is the Act of 1919."

This interpretation of British pledges to India was endorsed by Lord Rankillour in the House of Lords during the debate of 13th December, 1934. His Lordship said that they were bound by the preamble of the Government of India Act of 1919 but by nothing else and speaking of these pledges he went on to say :

"No statement by a Viceroy, no statement by any representative of the Sovereign, no statement by the Prime Minister, indeed no statement by the Sovereign himself can bind Parliament against its judgment."

The Archbishop of Canterbury went a step further and said in the House of Lords on the 13th December, 1934 :

"I noticed that Lord Snell complained on behalf of his friends that no mention was proposed of what is called dominion status. I think that it is time that we got rid of such a misleading phrase. It has proved capable of infinite misunderstanding both in this country and in India. No one knows whether it means constitution or position. If it is to mean constitution it is conceivable considering the circumstances of India and the necessary relations with the imperial Parliament, which these circumstances involve that in any time which any of us can contemplate I should have a constitution identical with those which have been achieved in countries so entirely different as South Africa, Australia or Canada. Therefore it is no use thinking there can ever be a constitution in India identical with the constitution of those dominions, but surely an India self-governing, especially a great all-India federation will always have increasingly within the British Empire a place of honour quite as distinct and recognized as that of any of the Dominions."

In face of these public announcements, Sir, I am afraid that the simple verbal announcement by the present Secretary of State, Sir Samuel Hoare, will not carry much weight. If he is serious, I should like this message of his to be incorporated in the Statute itself.

The constitution envisaged in the Joint Parliamentary Committee Report is riddled with "safeguards", "reserved powers" and "special responsibilities". The Communal Award calculated to divide the country into water-tight compartments and retard the progress of nationalism is itself a most effective safeguard against India's coming into her own. But that has not been considered enough. The Governors have been empowered to override the ministers and the legislature and to make laws on their own.

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initiative and responsibility. On top of it all comes the "commercial safeguard"! Before the Joint Select Committee had drafted its Report Mr. Baldwin in one of his public speeches in London said:

"All the safeguards are being examined by the Joint Select Committee but whatever safeguard we have, the real safeguard is the maintenance of goodwill. If there is not a basis of goodwill, your trade will eventually wither away".

The Joint Parliamentary Committee's recommendations have destroyed that "basis of goodwill". The Fiscal Convention has been jettisoned. And in commercial matters the discretion of the Governor General and of the Governors in the granting or withholding of assent to all Bills of their legislatures shall be free and unfettered. It is further laid down that

"The Instrument of Instructions of the Governor General and the Governor should require him, if in any case he feels doubt whether a particular Bill does or does not offend against the intentions of the constitution Act in the matter of discrimination to reserve the Bill for the signification of His Majesty's pleasure".

Thus not only in the political sphere, but also in the economic sphere our position would be distinctly worse under the new constitution than it is at present.

The Joint Parliamentary Committee were not content with having planned to injure the cause of democracy in India they offered a gratuitous insult to Indian nationalism. In their Report dealing with the "principles of constitutional settlement" they stated that they were

"confronted in India with an age-long antagonism of Hindus and Muslims" and with "rigid divisions of caste inconsistent with democratic principles".

They went further and asseverated that:

"The essentials of Parliamentary government are lacking in India".

Evidently that is the reason why a frantic endeavour is being made to foist an anti-national and anti-democratic constitution on India. But India is not prepared to let this hideous constitution be foisted on her. When the Joint Parliamentary Committee Report was published in India it produced a country-wide wave of resentment and indignation. The entire Indian Press condemned the Report in unqualified terms. Leaders of public opinion were equally unanimous in condemning it. I do not propose to quote the opinions of Congressmen—though they matter more than all others put together as the result of the recent Assembly election has demonstrated—for they are considered by British statesmen to be irreconcilable. I shall quote the opinions of those gentlemen who have consistently stood by the Government. Let me begin with Sir Mohammed Iqbal and Dr. Shafaat Ahmed Khan and other Muslims of their ilk. In a press statement issued on the 22nd November, 1934, Dr. Iqbal said:

"It will now be a sight to see India ruled by white rajahs on the one hand and brown rajahs on the other".

Dr. Shafaat Ahmed in a press statement issued on the 26th November, 1934, said:

"The Report is retrograde, reactionary and framed in a spirit of suspicion and distrust".

(Well may the British Tories say "Et tu Brute"!)

Mr. A. H. Ghuznavi in a press interview observed:

"Timidity and distrust appear to have gained the upper hand. There has been considerable encroachment on ministerial responsibility and the doctrine of executive independence appears to have been stretched too far".

The Liberal leaders, to retain whose co-operation the British Tories had been overwhelmingly anxious declared that they would have nothing to do with the Joint Parliamentary Committee's recommendations and the most moderate Liberal, Sir Tej Bahadur Sapru, in his statement, dated the 24th November, 1934, said in a melancholy strain:

"I feel a sense of uncertainty and insecurity".

The Madras Liberal leaders, including Sir Sivaswami Iyer and Dewan Bahadur Ram Chand'a Rao in a statement issued about that time said:

"Unless the scheme is radically altered and improved in the direction of transferring real control over their affairs to Indian authorities and legislatures, it will fail to bring about political peace and contentment".

How women received the Report would be clear from Mrs. Lakhmipathy's statement of the 26th November, 1934, in which she said:

"Either India must make a combined effort to get the scheme so altered as to have full responsible government at least in the provinces or it is better that we wait for ten years for a new instalment of reforms".

THE HONOURABLE THE PRESIDENT: The Council now wishes to hear the Honourable Member's views, not the views of those estimable gentlemen! Will you kindly place your own views?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I want to bring the opinion of these eminent gentlemen on the records of this Council, because I understand that these proceedings will be laid before the Houses of Parliament and I think it is proper that the views of the leading public men of India should go on the records of this House so that they may be duly considered.

THE HONOURABLE THE PRESIDENT: That is all right. They have had their opportunity, but this opportunity is given to this House to express its views so that they may be laid before the Secretary of State and the House of Commons.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Do I understand that we have not to put the views of the country before this House?

THE HONOURABLE THE PRESIDENT: You can express them as your views.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Very well, Sir. According to your ruling I will refrain from giving those views, but I would say that from every quarter where this Report has been considered seriously there has been universal condemnation or rejection or disappointment. Even the Muslim League, a body representative of Indian Muslims

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was not pleased with it. The resolutions of the Madras Muslim League and other Leagues prove that. The Sikh young men passed a resolution at the Khalsa Youth Conference condemning it and so on everywhere. We also are displeased with it. The Honourable Sir Phiroze Sethna has fully explained how the Liberal Federation dislike it. I will not go into the opinions of these eminent citizens of India, but I would say that even British statesmen have suggested that the aims and aspirations of India as embodied in various pledges should be fulfilled. In this aspect I would say that we are now confronted with an unprecedented crisis. The promises made to India by Britain in all seriousness and earnestness have been thrown to the winds. The Irwin-Gandhi Pact has been absolutely ignored. No weight has been attached to the British Indian Delegation's Memorandum. It appears it has not even been looked at. The time and energy spent by Indian politicians at the Round Table Conferences held in London have not been productive of any good. Reactionaryism is writ large on the Blue Book produced by the Joint Parliamentary Committee. The scheme adumbrated by the Committee is not only reactionary but dangerous. Its enforcement will endanger India's political and economic welfare. India can never accept it willingly. Under these circumstances, Sir, I would prefer the present constitution and not have the so-called reforms.

In the last paragraph of my amendment, I have said that we should express no opinion on the Communal Award. I do so, because
1 P.M. I recognize that there is a divergence of opinion between Hindus and Muhammadans, particularly in the Punjab and Bengal in regard to the Communal Award. I personally condemn it. We do not want to argue this matter at the present stage as there is a chance of its being revised mutually. It must not be inferred from the last part of my amendment that we accept the Communal Award. Realizing our weakness in this House we do not wish to raise it. We do not accept it as it is not just and fair.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON (Punjab : Nominated Non-Official) : Is not that expressing opinion ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : When the time comes I will be able to explain.

The scheme of constitutional advance is even worse than the present constitution. We shall be content with the present constitution under the circumstances and not have this retrograde measure in the name of advance.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Sir, in speaking on this Motion, I would like first of all to make my position clear. I do not consider myself merely as a member of this Council nominated by the Governor General, but I feel that I have been drawn from the public life of Calcutta, as also from the Liberal Party.

Unfortunately or fortunately, there has been in recent months, in spite of the unanimous resolution of the National Liberal Federation quoted by my Honourable friend Sir Phiroze Sethna, a division amongst the leaders of that Party. There is a group which believes with the Congress that the Report is not an advance on the existing constitution in any way and entirely unacceptable to the country. There is another group in the Party who consider that the Committee's Report is an advance so far as the provinces are concerned and their recommendations should be given a fair trial. I unhesitatingly declare myself that I am one of those who believe that the

recommendations are in certain respects a definite advance and should be given a fair trial before being condemned. Those of my Party who are condemning the whole scheme without trial will I am convinced live to regret the day. I must, however, mention that so far as my province is concerned the advance which I expect has been more or less throttled by what has been known as the Communal Award. It was, as everybody knows, not an award at all but a fiat. The threat of Mr. Gandhi of starving himself unto death stampeded the Hindu politicians into what has come to be known as the Poona Pact, to the great detriment of my province. It is common knowledge that the question of untouchability and of the depressed classes is not an urgent or keen one at all in my province as in some other provinces of the country. There the caste Hindus and the present scheduled castes used to live in amity and concord and till very recently and no question of differential treatment on the basis suggested by the Poona Pact ever arose. To allot the same number of seats in Bengal as in Madras is in my opinion an injustice which the Bengal Hindu will certainly refuse to submit to.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Will they work the reforms ?

THE HONOURABLE MR. BIJAY KUMAR BASU : That is a point which I think ought to be left to them, because after all things may be adjusted in the province in time.

I now come to the vexed question of federation. Here also I unhesitatingly declare to be a supporter of the federal idea. In constitutional theory a truly federal form of government is the only way to create a united India and a united Indian nation. Although I believe that for some time in the beginning there may be dissensions, bickerings and troubles, but in the end I am perfectly sure when the Indian States will come into daily contact with the better mind of British India there will take place a new orientation which will go to create conditions for the realization of our ambition of a united Indian nation. But I find according to the recommendations of the Committee, federation is almost "a far-off divine event". Half a dozen conditions precedent must be fulfilled, conditions which, under the present circumstances, are almost chimerical. I should have thought that it would have been to the best interests of the country for the Committee to have fixed a time limit for the federation. Personally speaking, I do not see any difficulty why the States cannot make up their minds within a definite period, say three years, either to accept or reject the federation scheme. If they cannot do so in three years, I am sure they may not do it in thirty. Believe me, although I am unflinching in my support of the federal idea, I cannot shut my eyes to what has been happening round me. At this moment the enthusiasm for a federal union with the Indian States is at its weakest. A federal union should always be a sort of voluntary association. It cannot be founded on the basis of coercion. If federation recedes into the distance and continues to meet that opposition in the country, there is no reason why British India should not have a suitable central constitution based upon responsibility. There should be no bar to British India by itself attaining to central responsibility and afterwards to dominion status with or without federation with the States. I reaffirm my faith in immediate federation on equitable terms; but if federation does not come into being within a reasonable time, there cannot be any reason why British India should be denied central responsibility, nor would there be much difficulty in the way. We have all the materials before us. Should federation come in the near future I would still urge some

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modifications in the scheme before us. To the scheme adumbrated in the Joint Parliamentary Committee's Report there should be added a provision, a distinct provision by statute that at least two-thirds of the Cabinet should be drawn from British India. I would not let the matter rest on convention as in Canada. Conventions are hard to grow in the land we live in and the circumstances under which we live. This would mean that clash and intrigue will be reduced to a minimum and there will be no heartburning in the matter.

There is another feature in the recommendations which requires more than a passing comment—the rendering of financial justice to the provinces—particularly to my province. The provision for making a grant of 50 per cent. of the income-tax collections to the provinces has been made in the Report, but I am constrained to complain that this also is dependent on several conditions precedent. I make no secret of it that I am no lover of too many conditions precedent. In my opinion, as soon as the constitution is introduced, immediate grant of a portion of the income-tax should be made to the provinces and the proportion should rise year after year as conditions would permit. What I want is that the provinces should almost immediately the reforms are introduced get a portion straight off and the proportion should steadily grow up to the limit fixed by the Report within a reasonable distance of time.

We have already set up a Reserve Bank. We have willingly acquiesced in placing the Bank out of political influence both in India and England. It now remains with the authorities conducting the Bank to prove their mettle and see that the Bank works with the single-minded anxiety for the protection and progress of national interests. Similar will be the case with the proposed Statutory Railway Board. That is the test that I shall apply to the *bona fides* of the framers of the constitution for carrying out real national policies; because after all what is responsibility at the centre without national policies operating in the Reserve Bank and in the Railway Board.

The army question also would require very serious consideration of the Council. I confess that I am none too pleased with the recommendation in this respect. My idea of dominion status is that the particular dominion must have a standing army of its own drawn and recruited from its nationals and in a country like India, it is not only that Indianization of officers is absolutely necessary but the men should also be recruited from all the provinces and each of the provinces should contribute a reasonable quota of its own so that in the end we can boast of a real Indian Army in the proper sense of the term. In the Indian Army there ought not to be any mercenary element drawn from the border States, however efficient they may be, however warlike they may be. I would suggest that this idea should be given a chance immediately with the introduction of the reforms so that within a reasonable time in India there may emerge a self-raised army which will defend their hearths and homes not as mercenaries but as true patriots.

The recommendations of the Committee in regard to the security services should be examined from the country's point of view. The recruitment of the Indian Civil Service and the Indian Police Service should continue to be simultaneous in India and England but their covenants should in no case be with the Secretary of State but with the Government of India. I believe that a portion of the services should consist of a British element, at least for some time to come; but both the Indian and British elements should be recruited on the same basis as to pay, emoluments, privileges, conditions and prospects, and controlled by the same authority, viz., the Government of

India. If you want to keep the morale of the services on an unimpeachable level you ought not to allow one branch to think that they are inferior to the other. There should not be any inferiority complex in any branch of the services.

I now come to the question of the future position of the High Courts. I view this question, not parochially as a practitioner in the Calcutta High Court, but from the political and constitutional aspect. I indulge in no idle platitude when I say that the British connection with this country rests much more on the dispensation of justice through the High Courts than on British bayonets. We are an emotional people. Do not shake our faith in British justice. I deplore the recommendation for the provincial control of the High Courts. It may be said that all High Courts except Calcutta are now under the control of the provincial Governments, but now that we have an opportunity of rectifying the mistake we should not miss it. Take this opportunity and rectify the mistake. Put all the High Courts under the central Government. Remove even the shade of a shadow of local influence on the High Courts. I know that in day-to-day administration the local Governments must be consulted and will have their way with the central Government regarding the High Courts; I do not mind that. But there should be some power left in the High Courts under which they could, if necessary, make representations to the central Government. It is not enough to free the High Courts from local legislatures by investing the Governor with special powers in this respect. The principle should be that not only justice should be done but everybody must know that justice is being done, freed from passions and prejudices of the executive Government.

For heaven's sake, let there be a truce to all this shilly shallying and to all this meaningless splitting of hairs, to all this futile arguing and conferring, until there seems to be no end to it. It is purposeless for the party on the one side to dread generosity in giving as for the party on the other side to suspect niggardliness. It is not that which is given or which is received that will spell success. It is the spirit in which you give, the spirit in which we take and the spirit in which we both work together that will make all the difference between success and failure. The proceedings and deliberations and consultations in all these seven meandering years have been marked by truculence. What was needed was the healing and unifying touch of grace. Give us grace rather than reforms. With all the emphasis at my command, I sincerely ask for a change of spirit.

Another personal appeal I would permit myself to make. It has always seemed to me that what matters is not the constitution so much as the personnel. Most of us who supported the Montagu-Chelmsford Reforms urged on that sincerest man amongst Secretaries of State that if he wanted his pet reforms to succeed he must consent to come out to India. Equally great is this need today. It is too great a strain on His Excellency Lord Willingdon to press him to stay another five years after the three five-year periods he has already been in this country. But it should not be beyond the range of statesmanship to request Lord Halifax to come for a second term. Or if this is not possible, it should be the most advisable thing to go beyond the limits of past precedents and entrust the new ship of state to that veteran and trusted skipper, Sir John Anderson.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : Sir, the Honourable Members who preceded me spoke more eloquently and in greater detail than I propose to do, especially the first speaker the Honourable Sir Phiroze Sethna, who was more fortunate than myself having attended two Round Table Conferences and having direct knowledge of the proceedings of the Joint Parliamentary Committee.

Except for the Communal Award in which the Prime Minister, Mr. MacDonald, showed great political insight and which has been acclaimed by Moslems in India as a belated recognition of their claims, the fact cannot be ignored that the Joint Parliamentary Committee's Report has had an adverse reception in India. Sir, apart from what has been mentioned as the retrograde features of the scheme, it is I, as the elected representative of the two divisions of Bengal including Calcutta and suburbs, think the financial aspect of the project of reforms which deserves the most careful consideration.

Sir, the federal constitution will cost an additional sum of Rs. 1½ crores besides another Rs. 3 crores on account of the separation of Burma. The new provinces of Sind and Orissa will continue to receive subventions for years to come. Assam and the North-West Frontier Province show no signs of being able to do without subventions. The remaining provinces are not in a better position. The Bengal budgetary figures of 1933-34 show a deficit of about Rs. 2 crores.

How are these facts to be answered ? The Secretary of State for India (Sir Samuel Hoare) said the other day that the reforms were for the advancement of the interests of the poor ignorant agricultural classes, but the Report foreshadows a preposterous tax on agricultural income of the people who form, according to this Report, 90 per cent. of the population. This is, Sir, safety with a vengeance. The British Government after about 200 years of rule cannot show more than ten per cent. literacy in India, while Russia and Japan have produced marvellous results in literacy in the course of a quarter of a century. Judged by this achievement or lack of achievement, the British Government in India stands condemned and the only remedy lies in self-government which the Report says is in any case better than foreign government. Sir, the existing budgetary expenditure, both central and provincial, is such that nothing is left for the nation-building departments of the ministers of the future, who will, it is presumed, have great powers conferred on them, powers I may mention, without any cash, and therefore powers without any power to do much good. I must confess I also do not see how these ministers will have the right to call their souls their own when the over-lordship of their Governor will be continually hanging over their heads like the sword of Damocles. Sir, the system of indirect election to the federal Legislature is a dangerous innovation and this will reduce the representative elements in the constitution. Thus we have with the glorious promise of greater democracy in the scheme the negation of democracy in second chambers—a negation, moreover, that is going to cost the provinces which are to have them a large sum of money which they can ill-afford just when they have barely emerged from the worst financial depression in history. Moreover, fiscal autonomy has been so hedged in by legislation and commercial discrimination and restriction that it is no autonomy—but a shadow.

These, briefly, Sir, but most emphatically, are features of the reforms scheme which require no elaborate elucidation to condemn them and, in the circumstances, I think the best course for His Majesty's Government will be to postpone the introduction of these reforms and subject them to a very careful examination with a view to eliminate these objectionable features and make the scheme more acceptable to India. It is no good hurrying and speeding up the reforms or in rolling up the reforms, but I must conclude by asking the Government to "look before they leap".

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, the process of constitution making for India which had begun with the appointment of the Simon Commission nearly eight years ago is now reaching its final stages. We have now before us the Joint Parliamentary Committee's Report and the draft Government of India Bill based thereon, which is the outcome of the labours spread over this period. We may differ among ourselves about the merits of the various proposals, we may even say that those proposals do not go as far as we wish that they should go ; but there can be no doubt or dispute about one thing that as compared with present conditions they represent a great step forward. If we accept what is now offered and make the new constitution a success, we shall in the long run make our claim far more unanswerable. But if, on the other hand, we reject what is now being given, and succeed in getting the Report or the Bill thrown out, then the whole process shall begin anew, and it may perhaps be long years before we shall be able to see another Reform Bill passed in its place. It will increase the uncertainty and anxiety of the people and in the confusion and wrangles that will follow, an agreed solution will be still more difficult. We shall lose and not gain by the delay.

Writing about the constitutional scheme in an article in the *Twentieth Century*, a new magazine of Allahabad, Sir Tej Bahadur Sapru, a great authority on Indian politics says :

"I am not prepared to say that it is either unworkable or that it is not likely to be worked even by those who are at present loudest in their condemnation of it. We cannot afford to live any longer upon a mere negative policy".

Sir, the task of constitution-making had been made possible by the Communal Award. Some of us no doubt feel that it is defective in this or that direction, but as it is the outcome of an agreed request made by the Indian delegates we are under a moral obligation to stand by it until it has been replaced by some other solution agreed to by us all. But rejecting the Award at this stage means making all advance impossible, because no scheme of Indian constitution can be complete without delimiting the rights of various communities.

Some of our friends object to what are known as the "safeguards". Looked at from another point of view, they can be regarded as the measure of the advance which is contemplated by the authors of the scheme. Introduction of democratic institutions in a country so vast and populated by people differing so widely in ideas and outlook, is a vast and unprecedented experiment. India is bordered by countries, whose governments have their own peculiar notions of economics and methods of ruling, and who will not be slow to take advantage of any situation created by a breakdown of the machinery of government in this country. All these factors combine to make "safeguards" a necessary part of the future constitution. It would be doing violence to the elementary principle of "safety first" to disregard them or to insist on their abrogation. The success or failure of the future constitution of India,

[Khan Bahadur Chaudri Muhammad Din.]
like that of all other constitutions, will depend more on the personal factor than on the exercise or non-exercise of the special powers known as "safeguards".

Sir, in my view the proposals should be amended in one very important respect. The method of election to the Assembly should be direct and not indirect. If that body is to be really representative of the people of India, there must be direct relations between the people and their representatives. The mere consideration of the size of constituencies should not stand in the way of direct election. By increasing the membership of the House the size of the constituencies can be brought down to a reasonable extent. At any rate the experiment to be tried in the first instance should be that of direct elections. If experience shows that the system is unworkable then a change to the indirect system can be easily carried out.

Second chambers in provinces would add to the financial burden and make the machinery cumbersome. I think therefore that there is no need for introducing second chambers in the provinces. For the moment, however, the wisest course is to accept what is being given, cheerfully, and in a spirit to work it and with a desire to make it a success. I would therefore appeal to my countrymen not to miss this opportunity of proving their capacity for self-government.

THE HONOURABLE MR. E. MILLER (Bombay Chamber of Commerce):
Sir, so much has been said recently in another place both in support and in opposition to this very important and epoch-making Report of the Joint Committee that I find it somewhat difficult to produce any very fresh line of thought, but I rise to give my full support to it. I feel sure that the majority of Honourable Members in this House will support it although we all no doubt may have particular sections where we should have liked to see the wording modified or strengthened. As a whole, however, it is a wonderful piece of constructive work and anyone who states that it does not provide for a great advance in the Indian constitution must be very lacking in appreciation of the meaning and intention of the Report.

Many people have said they would be prepared to accept the Report if only it provided for dominion status but after Sir Samuel Hoare's recent statement that the preamble of the Act of 1919 will remain and that dominion status is the ultimate goal, they should surely be satisfied. Lord Halifax, who was responsible for the original statement, is satisfied that his promise will be fulfilled and it is certainly the intention of those who signed the Report. Exactly when the goal will be reached depends very largely on those who will be responsible for the working of the new constitution. So if, as I personally believe will be the case, the various legislatures continue to work on constitutional lines, the goal may be reached within a very reasonable period.

There must however be, to use a word which has been used almost daily in recent times, "goodwill" and it must come from both sides. There must also be good temper and patience. This has sometimes not been shewn during the last few days by many of our Congress friends which is much to be regretted. Not that I personally take their attitude at this stage very seriously. I am inclined to look upon the present attitude of this group as being an ill-advised policy decided upon because it feels this is a suitable opportunity for the Congress Party to shew its independent spirit at a time when they wish to secure full publicity both here and in England. I do not believe that it represents the real attitude of India to the proposed reforms, nor that it is indeed truly the Congress attitude.

The Congress know full well that they cannot prevent the passing of the Bill and so they can afford to make this display of party feeling. If they were in a position where their action might seriously affect the passing of the Bill, they would be the last people to risk it. Why, because they know that if the Bill should fail to be passed, there is no chance of further advance for as far ahead as one can humanly foresee.

In spite however of the inconsequence of this peculiar policy of the Congress Party it does have this bad effect in both India and England, that it tends to create ill-will and bad temper. They are therefore doing a great disservice to their country and those masses whom they claim to represent and for this reason their action is to be regretted. I hope however they will realize their mistake in time, for I am still an optimist and firmly believe that the working of the reforms as now proposed can and will be satisfactorily carried out.

My community out here who I claim are working for the good of India have their differences of opinion with the "Die-hard" party at home. We give them credit for doing what they think is right and best, but many of them know little or nothing about India, or those that have knowledge are out of date and their views must be discredited accordingly. I can assure my Indian friends that they in no way represent the views of the mass of those of the general public at home, who take an interest in the advance of India. What we out here have to do is to carry on doing what we feel and know is right in a spirit of co-operation with our Indian friends who are in a similar position. After all a little opposition is good for the soul!

With regard to the Honourable Sir Phiroze Sethna's amendment, I find there appears to me to be some confusion of thought. Sir Phiroze states that the scheme is unsatisfactory, inadequate and disappointing, that it is not what Indians were led to expect, nor is it in consonance with the objective of the Round Table Conferences. After this one would have expected some counter-proposals of a drastic nature. Instead of this, however, the specific recommendation is that the scheme should be so improved as to give substantial effect to the recommendations of the British Indian Delegation. Now, it will be observed that the modifications suggested by the Joint Memorandum "do not affect the basic structure of the scheme", i.e., establishment of responsibility in the provinces and at the centre, subject to safeguards, together with federation. What the Memorandum did was to suggest modifications within the general frame-work of the scheme, and the scheme itself is a natural development of the proceedings of the Round Table Conference, the White Paper and the examination thereof by the Joint Select Committee. In fact the most striking thing of all these enquiries is that they have resulted in defining more accurately the great ideal of federation.

It is of course said that the safeguards recommended reduce to a minimum any responsibility which is given under the scheme. It must, however, be remembered that every safeguard which is included in the Report is a direct result of events in India during the past ten years. It would be impossible for any British statesman to ignore the unhappy divisions in this country, the serious communal riots that have broken out, the growth and development of terrorism, the danger of the civil disobedience movement, the growth of communalism, and other movements of revolutionary tendencies. Our conception of the safeguards is that they are placed there to protect the liberties and not restrict the responsibilities of India. Even Sir Tej Bahadur Sapru is of the opinion that given a proper development of the right spirit in the working of the constitution, conventions should grow which would render the use

[Mr. E. Miller.]

of any of the safeguards unnecessary. He believes that the new constitution, if properly worked, could be made an irresistible argument for the next stage of India's development on the road to the achievement of a position equal to that of the dominions within the Empire. These are striking views from one of India's foremost statesman, whose patriotism is beyond doubt.

With regard to the Honourable Sir Phiroze Sethna's remark about Indians and British chambers and other such bodies, I should like to remind him that in Bombay at any rate the Bombay Chamber of Commerce, which I have the honour to represent, do elect Indian members to their Chamber and there are several such who have been members for many years.

THE HONOURABLE SIR PHIROZE SETHNA: How many Indians are members of the committee of the Bombay Chamber?

THE HONOURABLE MR. E. MILLER: That is beside the point.

THE HONOURABLE SIR PHIROZE SETHNA: Why is it beside the point?

THE HONOURABLE MR. E. MILLER: There is no reason why they should not be.

The amendment moved by my Honourable friend Rai Bahadur Lala Ram Saran Das, is of such a sweeping nature that it cannot for a moment be given serious consideration. So I do not propose to say anything beyond this, that having got so far after four years' hard work with the co-operation of Indian representatives, the British Parliament is not likely to scrap the results of its carefully considered effort for a new set of proposals which in turn would meet with strong disapproval from another section in this House and elsewhere. What we want to do is to make a start with proposals which have received a very large measure of support from all quarters and amendments such as those referred to do not help at all.

Now with regard to commercial safeguards generally, I may say at once that British interests believe these to be very necessary. I think it is important that Honourable Members should fully understand and appreciate our point of view. Safeguards there must be when important measures such as those now under discussion are taken but in this instance they would undoubtedly have been easier were it not for certain events during the past ten or fifteen years. I would point out that this was understood and there was a substantial measure of agreement at the Round Table Conferences as to the general principle underlying our demands. It may be remembered that we desired originally that our object should be achieved by means of a trade convention to be concluded between the two Governments, incorporating our demands, which would appear as a Schedule to the Government of India Bill. This was not found to be practicable in view of the fact that any such agreement would have to be between His Majesty's Government and the new Government of India under the Act. Therefore we had to accept the method of including such clauses in statute; but I may say here that the door is not closed for an eventual agreement between the two Governments, which would give our community the necessary protection and would make unnecessary the statutory clauses of the Act.

I would point out that so far as safeguards are concerned, they do not confer upon our community any advantage. They merely ensure that we are

given a fair field and no favour. They are reciprocal and involve no infringement of India's power to develop her own industries and to foster her own commercial life. There is no reason why the provisions of the Bill should ever be appealed to and it is certainly not our intention to appeal to them unless we are forced. Even then we shall exhaust every other means of representation before appealing to the protection afforded by the statute. These clauses are for our protection and not for our advancement; and with the increasing identity of Europeans and Indians in this country in matters of industry and commerce, I hope and believe that the safeguarding clauses will be forgotten by both sides as a result of practical co-operation and goodwill.

In conclusion, I should like to refer to a statement made by Mr. Kirkpatrick in the House of Commons the other day when he said that during the years he had spent in India, he had found Indians in all walks of life capable, trustworthy and loyal. He added that he was unable to remember any Indian who had wilfully let him down in business or in social relations. I should like to endorse that and my experience covers a period of 33 years. During that time my relations in business with Indians have always been of the best and I may say I look back upon the years I have spent out here as very happy ones, and I can count many Indians as my friends. To me therefore it is a little disappointing that I am leaving India just when this further advance is coming into being but I shall watch what I feel sure will be the successful development of these measures with the greatest possible interest and good wishes.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA (Assam : Non-Muhammadan) : Sir, I rise to make a few observations on the Indian constitutional reforms which are under discussion at the moment. The proposed constitution based on the Joint Parliamentary Committee's Report has given satisfaction to no section of Indian public opinion. The scheme embodied in the Report is not what the Indians were led to expect and it has been asserted on all hands and I think, very rightly too, that the proposed reforms are inadequate, disappointing and unsatisfactory. It is a matter of great regret that the proposals of reforms embodied in the Report show unmistakable signs of distrust of the people. Such a scheme betraying a deep distrust of the Indians' capacity and character and falling far short of the legitimate aspirations cannot be characterized as satisfactory and adequate. I need hardly say that goodwill and trust are absolutely necessary for the smooth working of the administration. Distrust and suspicion of the people permeating the Joint Parliamentary Committee's recommendations cannot be expected to promote goodwill and sincerity amongst the people and I am afraid, a lack of genuine goodwill and sincere determination will fail to make the working of the new constitution a real success. The Government of India and the provincial Governments have assured His Majesty's Government that not only is the new constitution workable but

there will be people to work it also. I dare say, Sir, there will be people to work it. But the question is, will there be people to work it with goodwill, sincerity, contentment and satisfaction? I dare say there will be no dearth of people to work these reforms but what I fear is that they will bring no peace upon which the prosperity of the country so much depends. We want the reforms to bring peace and prosperity and not agitation and bitter agitation into the country. I am a great believer in the saying, "Harm watch, harm catch". To my mind, Sir, the best safeguards would have been goodwill and trust and the success of the constitution must eventually depend upon the goodwill and co-operation of the people who will work and for whom it is intended. A constitution replete with

[Srijut Heramba Prosad Barua.]

safeguards arising out of distrust of the character and capacity of the people will lead us nowhere and cannot be expected to produce the much desired harmonious result. Instead of allaying, I am afraid, the scheme will intensify bitter political discontent in the country. Personally, Sir, I am a great believer in the British connection and consider it to be a providential relationship. As such, I feel that the scheme is not only not in the best interests of India but it is not in the best interests of Britain either. A strong, prosperous and contented India as an equal partner with other dominions within the British Empire is all that is to be devoutly wished for.

It is really a matter of very great regret that the suggestions made in the Joint Memorandum by the British Indian Delegation have all been thrown to the winds. Is it then any wonder that public opinion in India should consider the scheme to be inadequate and disappointing? It is as such that India will have to be absolved of all responsibility if the reforms, as they are, do not work successfully.

Sir, it needs no prophet to tell us that the safeguards are necessary in the interest of harmony and good government. But a scheme bristling with safeguards may defeat the very end for which those safeguards are meant and give rise to unnecessary ill-will and reaction making the constitution unworkable. There is no better safeguard than goodwill and trust.

According to the scheme, the Governors of the provinces shall have reserve powers known as "special responsibility". We are told that they will be exercised only in respect of certain matters. Sir, the retention of special powers by the head of the executive cannot be said to be compatible with the idea of responsible legislatures. Where then is the transference of responsibility to the people if at any step in the discretion of the Governor it should be possible for him to take independent action? But taking a sober view of human nature I cannot deny that the Governors would be good and reasonable people. But where is the safeguard in the scheme to protect the people if a Governor happens to be unreasonable and wayward? Administrative troubles and legislative deadlocks will arise leading to constant wrangles and frictions between the Governor and his ministers or between the executive and the legislature which might ultimately lead to an intense constitutional struggle for economic and political freedom of the people. It is claimed for the scheme that henceforward all administrative responsibilities will be transferred to popular ministers. We only wish that the responsibilities had been real. Personally, I would not even mind if the ministers' spheres of responsibilities were restricted if only the responsibilities were real. Viceroys and Governors should also like it better if they are made limited and constitutional rulers sharing their responsibilities with popular legislatures.

The scheme again involves an excessively expensive system of administration. Coming as I do from a deficit province like Assam, I often tremble when I think of the reforms under the scheme which will bring a great burden on the people. The finances of the provinces will have to be placed on a sound and equitable basis before any reforms scheme is inaugurated. Otherwise, no ministry in any province with a deficit balance will have any chance of success at all. I only hope, as a budgetary expediency, the reforms will not bring in an imposition of extra taxation on the people.

Then, Sir, I would like to make some reference to the provisions relating to the police rules and the secret service and intelligence departments. These

provisions render the real control of the executive and the legislature wholly ineffective.

Another most objectionable feature of the scheme is the recommendation for indirect election to the federal Legislature. This can hardly be acceptable to any one. Indirect election would deprive the electorate of any direct control over the members of the federal Legislature. Such a method would be wholly retrograde. The federal Legislature will be a mere replica of the provincial Legislatures and the members will represent the provincial Governments rather than represent the masses. And the upper federal Chamber, which is meant to be a revisionary House, will be a mere echo of the lower Houses and thus frustrate the intentions for which the second Chambers are created.

Next, Sir, the High Courts and higher judiciary are the real guardians of the rights and liberties of the people. People have still an unshaken belief in British justice as administered by these Courts. The changes proposed by the scheme are calculated to shake the confidence of the public in the judicial administration of the land. As for these Courts, the administrative control should be with the federal Government rather than with provincial Governments. They should be absolutely independent.

Lastly, Sir, the Secretary of State's welcome announcement in the House of Commons during the second reading of the Bill that the natural issue of India's progress, as contemplated in the preamble to the Government of India Act, 1919, is the attainment of dominion status has given a soul to the soulless and goalless Bill. Let us only hope that the Secretary of State is serious and that His Majesty's Government will so amend the scheme as to make it a prelude to the enlargement of India's liberties to the same extent as enjoyed by the other dominions.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Sir, according to the laws of nature, in everything, whether of nature's creation or of man's creation, there always exist two sides, one a dark and the other a bright side. In every report of commissions and committees we also find merit and demerits, but unfortunately for India the Report under discussion is an exception to the general rule, inasmuch as it contains no merit worth consideration, but abounds in demerits which it is humanly impossible to criticize and discuss in the space of 15 minutes or half an hour. Sir, we are being asked to consider a Report, consisting of as many as 281 pages within this short space of time. A report which deals with a question concerning the lives and prosperity of 350 millions of my countrymen. A Report on which depends the future relationship of this country and Great Britain.

The very conception of the Report has been made with the definite motive of keeping this country under the bondage of British officers and under the mortgage of British capitalists. Its very foundation is based on the principle of keeping this country under subjection for all time to come. At the very outset the people of India wanted, as one man, a declaration of fundamental rights, but the authors of the Report wriggled out of the question. For want of time I will refer Honourable Members to pages 215 and 216, paragraph 366 of the Report of the Joint Parliamentary Committee. I can not conceive that a set of gentlemen, honourable gentlemen, intelligent gentlemen, a set of gentlemen who claim to be very sincere in their words, can be so insincere in their action. Sir, when India wanted declaration rights they thought it prudent not to acquiesce in the demands of the people. But, Sir, when the question of safeguarding the interests of British imperialism came, these

[Mr. Jagadish Chandra Banerjee.]

very gentlemen, the authors of this very Report, thought it to be very prudent that some sort of declaration of general rights for British subjects must be accepted. These are not my statements, but the statements of those very honourable men, the authors of the Report. Sir, I may be accused of making an aspersion against them, but in order to absolve myself from that blame, I would refer Honourable Members to page 216, paragraph 367. As I said before I cannot conceive how the authors of the Report could in one breath deny the declaration of fundamental rights for the Indians, but in the same breath could agree to the declaration of some general rights for British subjects. It is only possible for such men of merit and position in the British Isles to be inconsistent, because inconsistency is the birthright of British politicians. Breach of promise is an art cultured in England by British politicians. They cannot be truthful and consistent, lest the world might call them by the same name of that much hated quadruped, whose virtue is known to be consistency.

Now, Sir, in coming to the question of the safeguards for British subjects, I find that the safeguards are not only meant for the natural born United Kingdom subjects but for all British subjects domiciled in the United Kingdom. This to my mind leads us to a question of very vital importance to India. Any British subject domiciled in the United Kingdom would naturally include the subjects of such dominions who have on their Statute-book anti-Indian legislation. India's first and foremost demand for dominion status was for the purposes of having retaliatory measures against those dominions who have or would have anti-Indian legislation. But though the power of reciprocity against the dominions is being admitted on the one hand, yet in effect it is being made nugatory by bringing in the question of domicile of all British subjects in the United Kingdom. Sir, the laws regarding naturalization and domicile in the United Kingdom are to be passed by the British Parliament and from the way the British Parliament has receded from their pledges and promises in connection with the Indian constitution, I will not be surprised if by this back door of domicile, all dominion subjects willing to come to India for exploitation would be given the fullest opportunity of doing so. They would only have to go to the United Kingdom and after fulfilling certain normal conditions declare themselves as domiciled British subjects in the United Kingdom and what happens is that these men immediately get all the advantages of the safeguards originally meant for United Kingdom subjects. Sir, I for one can never agree to allow all the safeguards to be applied to all British subjects domiciled in the United Kingdom. I would suggest that the Indian Parliament must be given the liberty of allowing or denying any concession to any British subjects domiciled in the United Kingdom, excluding only those who are natural born subjects of the United Kingdom. In order to make my position clear I would request the Government to convey to His Majesty's Government the opinion of this House that the safeguards if at all are to be embodied in any future constitution it must be made applicable only to the natural born United Kingdom subjects having no commercial or professional connection with any dominions. Such subjects must be differentiated from British subjects domiciled in the United Kingdom.

I come next to the question of the indirect method of election proposed in the Report. Sir, at the very outset we are told that this Report is for the constitutional advancement of India. But the deeper we go into the Report, we find that it is a retrograde, rather than a forward, step. In this particular case of the method of election, India is enjoying at present the method of direct election. Sir, this direct election has roused mass consciousness and advanced mass education during the last 14 years. This method of

direct election had a very great educative value. The cause of mass education has been so much advanced by this direct election, what nothing else has done in the past. I think our rulers, who are so jealous to guard the interest of the masses against the intelligentsia, have found out that this direct election is rousing mass consciousness in India, and being afraid lest their own exploitation may be in danger, the Report has recommended the method of indirect election even against the combined desires of the people of this country and the Government of India. Therefore it must be made clear to the British Parliament that India will never accept a constitution which does not provide for the privilege of direct election which she is at present enjoying under the present constitution.

Now, Sir, I would like to discuss the question as to whether the constitution envisaged in the Report really is an advancement or a step backward. In the field of provincial autonomy I may say that it is definitely a step backward. Under the present constitution the salaries of ministers are votable and any minister losing the confidence of the legislature is removed from office when his salary is not sanctioned by the legislature. But, Sir, in the proposed constitution on the basis of the Report, the salaries of future ministers will be a charge on the revenues of the province and therefore the sum required for the payment of salaries of ministers will not be placed before the House in the form of a demand for grant. I ask what is the remedy of the legislature in removing ministers from office, if the Governor does not like to dispense with the services of such ministers. Sir, to my mind the present bureaucracy consisting only of British officers has widened their orbit a bit and desire to form a bureaucracy consisting of whites and browns in the provinces, to carry on the exploitation of the country. I therefore say that unless and until the salaries of ministers are made votable the provincial constitution can never be acceptable to the people of India.

Then, Sir, in coming to the question of the special powers of the Governors and the Governor General, I will only say that each one of them is proposed to be enthroned on the *masnads* as the autocratic nawabs, sultans and the kings of olden days, from whose hands the Britishers claim to have saved the Indian masses by the establishment of the British Raj in India.

Then last but not least is the question of the safeguards of the imperial service officers, both civil and military. Sir, it is a strange thing that the imperial service officers will not only be recruited and controlled by the Secretary of State, but even the power of their posting and transfer has been vested in the hands of the Governors and Governor General in the sphere of their special responsibilities. I think I will be voicing the sentiments of a great bulk of the Indian population if I say that a constitution even with the present safeguards may even be acceptable if the recruitment and full control of the imperial service officers are transferred to Indian ministers whereas a constitution with full provincial autonomy may not be acceptable if power of recruitment and control over imperial services are not transferred to Indians. Before I resume my seat I may say that the whole constitution is a constitution of safeguards for British interests in every field of administration such as, in the field of commerce and industry, in the field of service, in the field of defence, in the field of railway administrations and what not. I therefore suggest that the Government of India Bill before the Houses of Parliament be better christened by the name of "The British Exploitation and Safeguards Bill in India" instead of the present name of the "Government of India Bill".

Sir, before resuming my seat I cannot but speak a few words against the question of the Communal Award which has so very adversely affected my

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own province of Bengal. In dealing with this question I will only deal with that portion of the Award which has affected my province. Sir, under the Award a legislature has been suggested for Bengal, consisting of 250 members. Out of this total number there are 31 seats reserved for Europeans, Anglo-Indians and Christians including European commerce. Thus there remain 219 seats to be divided between the two major communities of Hindus and Muslims. Now, Sir, according to the latest census report the Muslim population is about 55 per cent., so even accepting that strength the Muslims of my province cannot claim more than 119 seats at the most, and the Hindus should have been given 100 seats at least. But the much-hated Communal Award has given the Hindus only 90 seats including all special seats and the Muslims have been given about 129 seats including special seats. But this is not all. In every province where the Muslims are in a minority they have been given a weightage, but in the most unfortunate province of Bengal, the Hindus though numerically inferior, have not only been refused the weightage but have been denied their own legitimate claim according to their own population strength. Before I pass on to the next question I would appeal to my Muslim friends to make another earnest effort to bring about a settlement between the two communities in the absence of which no one would be able to prosper individually. I would make a suggestion here in this House to agree to a joint electorate on the basis of the reservation of the number of seats for the different communities awarded by the Communal Award. Because in my opinion even that will be a good beginning for the growth of nationalism and will have a demoralising effect on the rank communalists amongst both the communities.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I feel that at the stage at which the problem of the Indian reforms scheme has reached it is futile to vote for its rejection. But I cannot help condemning most strongly the Communal Award as it stands and the policy underlying it. It would be useful if constructive suggestions were made to make the reforms workable, aiming at transferring responsibility to representative institutions and providing at the same time for continuity of good government.

We must recognize that self-government in the true sense of the word can only function when we attain nationhood. The communities, even today, are busy criticizing the Bill rather than in composing differences. Unless we learn to trust each other, and no community seeks protection we cannot achieve the goal of responsible government. Our remedy is to seek unity and there can be no political unity unless we all accept joint electorates. As long as separate electorates remain, the pursuit of self-government is the pursuit of an ever receding mirage.

I would have been completely satisfied if the India Bill were so framed as to bring about national unity. I am not complaining of the form but the spirit that shapes forms. The India Bill has no inwardness; its ideals are of the market place, it does not believe in the prosperity of India as the property of the Empire. It reveals no faith and is afraid of the future. As things are, politics and the making of laws absorb 90 per cent. of the time of our legislatures and the administrators. The vital problems of increasing production, securing a larger measure of happiness for the masses of our population receive hardly any consideration at the centre. Provinces may be aware of this need and are doing something in that direction. It is the tragedy of the Government of India that in the world that is busy planning, the Government of India is without any plans of economic and industrial development.

What India at present needs is not the translation of any pure theory of democracy, but a system of representative government founded on Indian conditions. I am doubtful if the lowering of the franchise and the increasing of votes at this stage will achieve our object of bringing responsible men to the fore. I not only strongly support upper Houses in all the provinces, but would introduce a hereditary representation in single chambers to provide for the protection of vested interests. I would replace direct election by the group system and electoral colleges. I would insist that no communal party would be considered to be in the majority that does not carry at least one-third of the members of a minority. I would go on making suggestions but what we need is a committee of the House examining the Bill and making definite suggestions. I would therefore suggest that a committee of this House be formed to consider the Bill clause by clause and to make suggestions for its improvement.

My own feeling is that we must not reject the Bill but endeavour to secure such modifications as we can. We may take it that the reforms scheme is another milestone on India's march towards dominion status.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Sir, I am sure that no one in this House will seriously question the fact that the Joint Parliamentary Committee's Report has been condemned by almost every section of public opinion in India. It has been condemned because it falls far short of Indian aspirations. Sir, I for one am inclined to judge the scheme of Indian constitutional reform embodied in the Report from two standpoints—firstly, political, and secondly, economic. For these are the main criteria with which, in my opinion, any scheme of constitutional reform in India must be judged. Because the two great desiderata of India are, firstly, that India should become mistress in her own household, as other nations are in theirs, under the aegis of the British Crown; and secondly, that India being one of the poorest countries in the world the economic condition of her people must be ameliorated. To fulfil the first desideratum, it is necessary that such further political rights and privileges should be conferred upon her by the British Government as may put India on the right road to self-government attainable within a measurable period of time; and to achieve the second object, it is necessary that her industries, trade and commerce should be developed on right lines and relief is afforded to the taxpayer from the crushing burden of taxation under which he is groaning. Now let us see how far the proposed scheme of constitutional reform satisfies these tests.

Let us first consider the political rights and privileges which the scheme proposes to confer on India.

It has been a just aspiration of Indians that India should get responsible government and obtain the status of a dominion in the British Commonwealth of Nations. Lord Irwin as Viceroy and Governor General of India stated in 1929, with the authority of the British Cabinet, that it was

"implicit in the declaration of 1917 that the natural issue of Indian constitutional progress, as there contemplated, is the attainment of dominion status".

This assurance gave India a ray of hope in the intentions of British policy (which had come to be seriously doubted on account of the subtle and ingenious differentiation sought to be introduced between responsible government and dominion status) and it was hoped that the pledge would assume some practical form in the new scheme of things. But to India's dismay dominion status is not only not conceded in the Joint Parliamentary Committee's Report, or the India Bill, but not even accepted as ideal or goal even

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in the distant future. It may be argued by our friends opposite that this is not necessary in view of the latest pronouncement made by the Secretary of State in the House of Commons on the 6th instant, wherein he is reported to have stated that the Government stood firmly by the pledge contained in the preamble of the 1919 Act and by the interpretation put by the Viceroy in 1929 on that preamble and that there was no need to enshrine in the Act the words and phrases which would add nothing new to the declaration of the preamble. But, Sir, my contention is that the 1919 preamble does not say anything expressly about dominion status for British India. On the other hand, it definitely lays down that the time and manner of each advance with a view to the progressive realization of responsible government in India can be determined only by Parliament and that the action of Parliament in such matters must be guided by the co-operation received from those on whom the new opportunities of service may be conferred and by the extent to which it is found that confidence could be reposed in their sense of responsibility. So there is a world of difference between this and India's demand for dominion status being stated as the objective of the Government of India Bill to be realized within a reasonable time. And may I ask whether, notwithstanding the 1919 preamble in which dominion status is said to be implied, Mr. Winston Churchill has not tried to explain away such pledges by arguing that dominion status meant something different from that which it was understood by Indians at the time to mean, that it did not involve the grant to India of a status equal to that of Australia and Canada, and that dominion status was only a distant remote goal which it was not practicable to take into consideration in any period of which human beings need take account? And did not Sir Samuel Hoare himself state some time ago that in the Indian constitutional development dominion status was not going to be the next stage nor the next but one? I, therefore, submit that India cannot rest content until the essence of Sir Samuel Hoare's latest admission about dominion status is embodied in due form and style and the phrase "dominion status" clearly defined in the India Bill so as to admit of no ambiguity. And it is very refreshing to find this demand of India receiving support from some British politicians like Major Attlee, Mr. Cocks and Sir John Thompson, late Chief Commissioner of Delhi.

Now, coming to the actual recommendations of the Joint Parliamentary Committee, what do we find?

1. Control over the Government of India from England will be maintained fully in all essential matters, even the agency or machinery of control being kept intact.

2. The constitution will not be capable of amendment by the future legislatures of India.

3. As regards the all-India federation, it is left to an unnamed future and will be subject to every one of the restrictions outlined in the White Paper. And if and when achieved, the federation will be nearer a confederation sans name, and utterly unsatisfactory.

4. There will be no statutory affirmation of fundamental rights of federal citizenship including that of private property to which we attach so much importance.

5. The federal government and legislature will be as powerless as the present Government and Legislature to speed up the nationalization of the army, or to reduce the army of occupation, or to bring military expenditure within reasonable limits.

6. The federal government and legislature will have financial powers as inadequate and deficient as proposed in the White Paper.

7. Control over State Railways will be passed on to a statutory authority nearly independent of the government and the legislature, which is not acceptable to Indian public opinion.

8. As regards the services, all the unsatisfactory proposals of the White Paper are maintained by the Joint Parliamentary Committee, and not one of the more important recommendations of the Services Sub-Committee of the Round Table Conference is accepted.

9. The increased powers proposed to be vested in the Governor General and the Governors all remain making of them greater autocrats than now and of constitutional government a mockery.

10. The White Paper proposals and not the Lothian Committee recommendations have prevailed as regards the federal Assembly. The existing official bloc in the central Legislature is to be replaced by nominated members from the States.

11. To make matters worse, direct election to the Assembly disappears and the method of indirect election discarded in 1919 is restored, with the added drawback of separate communal election even by provincial Legislatures.

12. Extensive new "special" powers will be vested in Governors as proposed in all the spheres of finance, legislation and administration and the much vaunted provincial autonomy will be rendered largely nugatory.

13. Worse, Governors are to be endowed with still more powers in regard to police than proposed in the White Paper. Ministers will not be competent to amend Police Acts or even revise Police Regulations without the prior consent of the Governor, given in his discretion.

14. The proposal to create new deficit provinces to be fed by alms from the central revenues has been accepted.

Now, Sir, these recommendations among others of the Joint Parliamentary Committee prompt one to ask in one's mind how far real political power is being conferred on India by the British Government. One is tempted to conclude that the constitution with which India will be endowed in accordance with the Joint Parliamentary Committee's Report will be neither a dominion constitution, nor a true all-India federation, nor a responsible central government, nor will it include genuine provincial autonomy, nor a body of legislative assemblies constituted on a rational and defensible basis, nor governments less costly or with powers to become less costly than at present. Thus it is clear that the proposed constitution offers autocracy in the garb of democracy and does not satisfy the first criterion with which I judge it.

Now, in order to judge it from the economic point of view the following questions come uppermost in one's mind. Under the new constitution, will it be within the competence of the government acting with the support of the legislature to reduce the crushing burden of military expenditure? (That it is a crushing burden every doubting mind must have been satisfied after a perusal of Sir Walter Layton's memorandum included in the Simon Commission Report.) Can the Government proceed to reduce the British garrison or to make it less costly to India? Will it have power to take a single step to speed up the Indianization of the officer ranks of the army and thereby reduce military expenditure? Will it be able to regulate the exchange and currency policy? Will it be possible for it to protect Indian trade and industries against their most formidable rival? Will future governments have a free hand either at the centre or in the provinces to determine what should be spent, say on the

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police? Can any of them determine the strength, the conditions of recruitment and salary, etc., of the superior services under them?

And if the answer to these questions is an emphatic NO,—as I am afraid there can be no other answer—then it does not require a prophet to say that the new constitution will not only not ameliorate the economic condition of the country but will add unnecessarily to the cost of administration. As regards industrial and commercial development, the proposals regarding “commercial discrimination” in the scheme so remain intact, even in the sphere of administration as distinguished from legislation, that the future government and legislature will be subject to British control at nearly every step when they seek to help Indian industries and Indian trade and commerce.

So judging from the second important test also one is driven to conclude that the new constitution is entirely unsatisfactory and will be a costly luxury without transferring any real power.

Now, Sir, it might be asked that if the proposed scheme embodied in the Joint Parliamentary Committee Report is unsatisfactory, what remedy is there? I submit that the least that ought to be done is to amend the proposed constitution on the lines of the recommendations contained in the Joint Memorandum presented by the British Indian Delegation to the Joint Parliamentary Committee. Here I may at once say that a constitution identically on those lines will not be quite acceptable; but it must be subject to some modifications here and there, particularly in so far as the all-India federation, the Statutory Railway Authority and the policy of the Reserve Bank are concerned.

Now, Sir, with your permission I venture to dilate on one or two specific points.

The proposed method of indirect election to the federal Legislature is so retrograde that I am glad to find even the Government of India disowning it. The Government of India have, I am glad to say, made no secret of their policy that they are in favour of direct election to the federal Legislature. As regards the method of election to the federal Legislature, I have one suggestion to make. So far as the lower House of the federal Legislature, i.e., the federal Assembly is concerned, public opinion is unanimous, which opinion is also shared by the Government of India, that the method of direct election adopted in the Montagu-Chelmsford Reforms must continue. But if indirect election is at all to be introduced in the case of the Council of State, then I venture to suggest that the members of the provincial Legislatures who will under the new scheme form the electorates for the purposes of election of members to the Council of State, should be asked to elect from outside their ranks from a list maintained for the purpose of persons eligible for such election on the basis of certain qualifications, and not from among their own ranks. The defect in provincial Legislatures being entitled to choose representatives from among their own ranks is two-fold. Firstly, those aspiring to a seat in the Council of State will have to undergo all the worries and expense of getting themselves first elected to the provincial Legislature and then of seeking a second election to the Council of State. Secondly, by-elections to the provincial Legislatures will be necessitated involving unnecessary election expenses over again.

As regards the question of provincial second Chambers whose introduction the Honourable Raja Ghazanfar Ali Khan has attacked in his amendment, I must say that it will not be quite correct to say that there is no demand for it, at any rate in the case of some of the provinces. At least in relation to the United Provinces, to which I have the honour to belong, I can say that

the important class of zemindars and talukdars who have a stake in the country do demand a second Chamber in my provinces to exercise a salutary check over the popular House when provincial autonomy is conceded.

I am sorry that my Honourable friend Raja Ghazanfar Ali Khan has also chosen to bring the question of the Communal Award to the front in the amendment that he has moved. If he as a representative of the Muslim community welcomes the Award, it is well known that other communities, the Hindus and the Sikhs, are dissatisfied with it; especially these communities in the Punjab and Bengal feel greatly aggrieved with it. It would have been more expedient if the Raja Sahib had not chosen to invite a direct vote of the House on this question, for it is on account of the communal differences of opinion unfortunately prevailing in the country on the Communal Award that the amendment moved by my Party Leader the Honourable Rai Bahadur Lala Ram Saran Das has been so worded as to avoid an expression of opinion of the Council on the Communal Award.

Sir, I am afraid I have taken sufficient time of the House in dwelling on the Motion before the House and I will not dilate further on the subject.

In conclusion, I want to affirm that unless the scheme of Indian constitutional reform as embodied in the Joint Parliamentary Committee Report is so radically altered as to establish real responsible government both at the centre and in the provinces, it will be unacceptable to Indian public opinion. It behoves His Majesty's Government and the British Parliament to take a sympathetic view of Indian aspirations and secure the goodwill of the people of India; for, it is by this goodwill, and not by the force of arms, that, as the late Chief Commissioner of Delhi remarked recently in his broadcast speech, England can in the long run retain India.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, there is an air of unreality about this debate, as whatever we may say will not have the slightest effect on the course of legislation now pending before Parliament.

The Conservative members have discovered that this is a very safe constitution to give to India and they are determined to give a conservative direction to the Indian constitution. Sir Austen Chamberlain, Mr. Butler, Sir Samuel Hoare, they have all said on various occasions that it is desirable and indeed necessary that the Indian question should be dealt with by a Conservative administration. The idea is to tie the hands of a future Radical or Labour administration in dealing with the whole problem of India, and that point of view pervades the whole Report. Everything is to be subject to Parliamentary sanction. If you want to abolish direct election, then you must go to Parliament. If you want to improve the Instrument of Instructions or to change them, then both Houses of Parliament must agree; that is to say, the House of Lords must continue to control and direct the policy in regard to Indian advancement. That is the real object of this measure, and therefore, whatever we might say will not have the slightest effect upon the course of legislation. Still, Sir, it is necessary for us to make our own position absolutely clear in regard to this measure, and I say in all sincerity that I belong to that school of thought which does not want this Bill, which would be happy if this Bill was defeated and the efforts of the Die-hards succeeded.

The House will permit me to go a little into the history of the constitutional question. The Round Table Conference was preceded by a very memorable declaration by Lord Irwin, and in the statement which he made in this House Lord Irwin explained that the Round Table would be a Conference where

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precise proposals would be evolved and placed before Parliament. Now, examining the position in the light of that statement what do we find? We find that even the Select Committee say that the transfer that they have been able to recommend is of such a character that even moderate opinion is not satisfied with it. They admit that even that central opinion, to which they pay a tribute, which has been co-operating with them, asks for a larger and more sweeping transfer of power than they have been able to suggest or recommend. And what is the value that they attach to that central opinion, of which my distinguished friend and Leader the Honourable Sir Phiroze Sethna is an exponent in this country? They have turned down every single recommendation that that central opinion put forward. Every single proposal which that central opinion favoured has been turned down; everything that they opposed has found favour with the Joint Select Committee. It is in that spirit that they have approached their task. Is it to be wondered at that moderate Indian opinion, that Liberal Indian opinion, is very much dissatisfied with the Report of the Joint Select Committee? It has been said that the Joint Select Committee's Report has preserved the fundamentals of the Round Table agreement, federation, responsibility, safeguards. Now, Sir, there is no magic in these words. I am not opposed to federation. There is a mystic unity underlying India and we all want a greater India if we can have that greater India on just and reasonable terms. We all want responsibility at the centre, and we are also agreeable to safeguards of a certain character, that is to say, safeguards demonstrably in the interests of India. That was the Gandhi-Irwin declaration. But, Sir, as I said, there is no magic in these words, and we have to examine the scheme that has been put forward and to discover for ourselves whether there is any responsibility at the centre or whether there is any responsibility in the provinces in the scheme which has been propounded by the Joint Select Committee. And if we find that the federation which they have envisaged is a weak and anæmic one,—to use the words of my revered leader Mr. Sastri,—if we find that the responsibility that they suggest is an illusory one, a shadowy one, if we find that the scheme contains objectionable features which will retard the progress of this country towards democracy and nationhood, then we are bound to say, "Reject this scheme as utterly unworthy of India's acceptance".

Sir, what is after all the scheme that the Joint Select Committee has put forward? Let me just explain in the briefest outline the central scheme. Over the army and foreign policy the Indian Legislature will have no control. We have at present three Indian Members in the Government of India. So far as the army is concerned, the Governor General will be advised by councillors who will not be his colleagues and none of whom may be an Indian. Over finance, over commerce, over law and order, over tariffs, over minorities, the Governor General will exercise vast powers. He will have the completest powers of affirmative legislation. He will have the completest powers of preventive legislation. He will have the completest powers of preventing the course of discussion in the Legislature. An important department like Railways will be under a statutory authority, the constitution of which the Indian Legislature will not be able to touch without the prior consent of the Governor General. The Reserve Bank will manage the currency of this country and it will not be possible for us to change the constitution of the Reserve Bank without the consent of the Governor General. We shall not be able to change the policy in regard to currency and exchange, which vitally affect the people, without the prior assent of the Governor General.

Now, Sir, what remains at the centre? What is the central responsibility that they visualise or that they are conferring? And if that is the power they have transferred at the centre what about the composition of the legislature? They have suggested a most extraordinary method of election at the centre. In the lower House we shall have 375 members. Out of these 375 members, 125 will be the nominees of the States. In the Council of State we shall have 250 members. Out of these 250, 104 will be Indian State nominees. Paramountcy over Indian States, an undefined paramountcy over Indian States will vest in the British Crown and the offices of the Viceroy and Governor General will be separated. Now, Sir, these 250 Indian representatives will be elected by provincial lower Houses, that is to say, we are going to have indirect elections. Now, Sir, at the centre we shall have indirect elections, we shall have special representation, we shall have communal representation and we shall have the single transferable vote. The result of this arrangement is that it will be possible for eight or nine men to elect a member to the lower House of the central Legislature. Provincial politics will dominate central politics. There will be a confusion of issues before the electorate. Provincial elections will be fought not on provincial matters, but on national matters; national issues will not come up before a national electorate. Sir, the Assembly has been the symbol of national unity so far. In a land of divided communities, in a land of minorities, the Assembly stands for the national ideal and in attacking direct elections the Committee has attacked the national ideal itself. Sir, what about the Council of State? I have no hesitation in saying that I belong to a school of thought which has no use for second chambers and in this matter I find myself absolutely in agreement with Major Attlee, to whom I desire to pay a tribute. Sir, the Council of State will be elected by Provincial second Chambers and there will be proportional representation. Now, Sir, the Lothian Committee had suggested and the White Paper had also accepted the suggestion that the Council of State should be elected by the provincial Legislatures. By making the provincial second Chamber the constituency for the Council of State they are going to make this Council of State one of the most oligarchic bodies the world has ever known. Sir, let us examine this scheme a little more carefully. What is the executive that they contemplate for the centre? This executive will be responsible in effect to both the Houses of the Legislature. It is really incorrect to say that we are having a really bicameral system at the centre. We are having, as Major Attlee has very well pointed out, a unicameral legislature at the centre with very heavy representation for property, for wealth, for all classes, except the poor and the down-trodden in this country. The Council of State will vote supplies also. It will have co-equal powers with the lower House and if a particular measure which relates to the departments over which the Governor General has special responsibilities or over which the Governor General has discretionary powers is thrown out by the lower House, then it will be open to the executive to go to the Council of State and have it immediately passed without waiting even for the period of six months which is otherwise provided. That means that in effect the executive will be responsible to both the Houses of the Legislature. Now, Sir, to whom will these Houses be responsible? The Council of State will have a permanent existence, and as we are going to have indirect elections at the centre, so far as the Assembly is concerned the power of dissolution which is vital for responsible government will become absolutely ineffective, farcical. Well, Sir, am I wrong when I say that what you are really establishing at the centre is a one party state; that what you are establishing at the centre is a very very inefficient oligarchy, a dictatorship which will not even be an intelligent dictatorship, because it will be supported by a bloc which will not certainly be as intelligent as the official bloc now is and

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which will not have the sympathy which the official has sometimes when British interests do not come in his way for the poor and the oppressed in this country.

Well, Sir, speaking as a Liberal who values Liberal principles, I say I should be false to every principle which I value if I were to give an atom of co-operation and support to a reactionary constitution of this character, which will finish democracy for ever in this country. I know, Sir, that there is a revolt against democracy today, but I am rather old-fashioned in that way. I have a pathetic belief in the perfectability of democratic institutions and I certainly want the democratic experiment to be tried under favourable conditions in this country.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : It degenerates into oligarchy.

THE HONOURABLE MR. P. N. SAPRŪ : I am going to come to that point.

The Joint Select Committee say that Indian public opinion has concentrated its attack upon the acquisition of power, that it is not sufficiently alive to the importance of strong executives. I am myself a believer in a strong executive. Leadership is not inconsistent with democracy. What is this strong executive that this wonderful Select Committee has in mind ? The strong executive is an executive of British Governors and a British Governor General, responsible ultimately to the Parliament of a country 6,000 miles away from the scene of its activity. Well, Sir, that is not our idea of a strong executive. The Joint Select Committee have made a contribution which even Hitler and Mussolini may envy. They might take some lessons from them in regard to what a strong executive ought to be like.

Sir, as I say the central constitution fills me absolutely with despair. Vital subjects of importance will remain in the hands of the central Government. Railways, commercial and tariff policy, currency and exchange, army defence, labour legislation, social insurance, health, these are subjects of very vital importance from the nation's point of view. Some of these are in the concurrent list, others are in the exclusive list for the centre ; and if you have a legislature of this character, then what can you expect from this legislature ? I think, Sir, the question of the composition of the legislature transcends all other questions in importance ; it is all-important. Speaking for myself, it is one of those issues which determines my entire attitude towards the Report. Safeguards and reservations we can fight if we have a good legislature, if we have a progressive legislature, but in a legislature of this kind we shall be powerless ; and if progressive groups find that they can do nothing, that they are helpless, that there is no opportunity under this constitution for them to hold and acquire power, then what will be the result ? Will you have satisfaction in this country ? What will these progressive groups think ? Well, Sir, I was talking to a very eminent liberal statesman, one of the most eminent liberal statesmen in this country. And he said : " Nothing will move the centre ". I added : " Perhaps revolution ". He kept quiet. I feel sorry for the observation because, believe me, Sir, there is nothing that we dread more in this country than revolution and it is because we want ordered evolution in this country, it is because we want to stave off the tide of revolution in this country, that we feel it our duty to offer our strongest opposition to this most reactionary of all imaginable constitutions.

Well, Sir, I will now pass on to the provincial constitutions. Sir, I have examined the provincial constitutions also with some care and what do I find in regard to these provincial constitutions ? I find that you have a different constitutional structure now. Dyarchy has been abolished only in name. We shall have not provincial autonomy, not even a diluted kind of provincial autonomy but a new type of dyarchy because what you are contemplating in the provinces is two parallel governments, one definitely subordinate to the other. It is only a change in constitutional structure. It is not a transfer of power. Let me explain what I mean. Provincial ministries will no doubt function over the whole field of provincial administration. But the Governor will have vast special responsibilities and discretionary powers and these responsibilities will extend practically to the sphere of government. He will have a Governor's Secretary to advise him. He will be for all practical purposes an Executive Councillor without the responsibility of an Executive Councillor. Then, Sir, the channel of communication between the Governor and the ministry will not necessarily be the chief minister or the prime minister. There is no mention of such a person. The Joint Parliamentary Committee say that joint responsibility is a matter of growth. Well Sir, even the Simon Commission had laid stress on joint responsibility and said that the vote of confidence should be against the ministry as a whole, not against any particular minister. The Joint Committee say : " Of course we cannot have any such rule ". They go further and give the Governor the right of dismissing individual ministers and his powers will extend to the suspending of the entire constitution. That is to say, the provincial constitutions may function even without a provincial legislature. That is, if there is a breakdown of the constitution, it will be open to the Governor to suspend the entire constitution including the legislature.

Then, Sir, take the question again of the transfer of law and order. Has there been any real transfer of law and order ? So far as the Police Act and the Police Regulations are concerned, we shall not be able to touch them without the previous assent of the Governor and the highest authority in the land has told us that the Inspector General of Police will remain the effective head of the police. The security services will remain under the control of the Governor who will be answerable not to any Indian Legislature but to the British Parliament. The Governor will have at his back the Indian Army.

Then, Sir, the Committee have laid down some rules in regard to the secret intelligence reports and they say that the minister who will have the responsibility for taking action against any particular individual will not necessarily have access to the documents upon which he bases his opinion. They have not said it in so many words. I am merely paraphrasing them. This is really the broad effect of their recommendation. Well, Sir, it is said that in a secret service case, even in England this is the practice. Now, Sir, as far as I know, the Prime Minister in England has access to all documents and the position of the Prime Minister cannot be compared to the position of the Governor because the Prime Minister is a person responsible to the legislature while the Governor is a person responsible to the legislature of another country. If that is what you are giving us then I say be straightforward and deal with terrorism yourself because then we would know that the responsibility is not ours. But be at least straightforward and play the game. But we do not want to be in a position where we shall have to shoulder the responsibility without our being able to have access to the material upon which we may have to pass any order. Nothing could be more humiliating for a minister than to serve under conditions such as have been laid down by the Joint Select Committee's Report.

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Then, Sir, so far as the Criminal Intelligence Department is concerned, in Bengal that will be a reserved subject but it will be open to the Governor at any time to take over charge in other provinces also of any subject if he should find that conditions necessitate his doing so and he will then be represented in the legislature by an official. Well, Sir, is it wrong then to say that the special responsibilities, the discretionary powers, the preventive powers of legislation, these all eat away the substance of responsibility and that what you are really providing is only a different type of dyarchy and that there is no responsibility in the provincial sphere?

Then we come, Sir, to the question of the goal of British policy in India. Sir, the differences between us relate not merely to the immediate steps to be taken but also to the ultimate goal of British policy. The Joint Select Committee has made no reference to dominion status. That is a word they wish to avoid, and it was left to the Archbishop of Canterbury, to the leader of a Christian community, to the ethical and religious leader of the Anglican Church, to say that this word should be avoided in future. But since the publication of the Report, Sir Samuel Hoare has come out with some sort of a qualified statement in regard to dominion status. His understudy, Mr. Butler, has however been at pains to explain—I am merely paraphrasing Mr. Butler—that dominion status in the case of India means something different from dominion status in the case of the other dominions because he says India will have dominion status and remain an integral part of the British Empire. I belong to a political group which frankly accepts the British connection. But on the question of the right of India to determine her own destiny, on the question of India's right to complete self-government within the meaning of the Statute of Westminster, there can be no compromise on our part. There will be no lowering of the flag on our part. And, Sir, if you deny to the youth of this country the vision of a dominion within the framework of your Commonwealth, then you must not blame the youth of this country if they think of a separate existence for their land. For, what is fundamental with us is Indian freedom, and if we cannot have it within the framework of the British Commonwealth, then we shall necessarily have to think of it outside the British Commonwealth. Sir, I regret to have to make these observations. I value the British connection, and it is because I value the British connection that I think it is necessary to be straightforward and outspoken in regard to this matter. A vague declaration in regard to dominion status will not do. We want the Statute to proceed upon the basis of dominion status, with temporary reservations demonstrably in the interests of India for a defined period of transition. I want to emphasise these words "defined period of transition". We want provision in the Act for automatic progress.

Our friends tell us, "No doubt, there are some objectionable features in this Report. You have indirect election. We admit that this is an undesirable feature. But this will be removed in course of time". What is the machinery that you have provided for the removal of these defects? The machinery that you have provided is that it will be open to the federal Executive and the federal Legislature to petition Parliament after the expiry of ten years that indirect election should be done away with and substituted by direct election, or group election, or some other method of election which is acceptable to Indian opinion, and this resolution will have to be placed by the Secretary of State before the two Houses of Parliament and it will be considered by His Majesty's Government, and they will have to announce their

decision on it. Can we imagine a legislature of vested interests itself suggesting a change? They will have discovered by this time of ten years the advantages of indirect election. They will have discovered that with their wealth they can corrupt the voters. Do you think that a legislature and a federal Executive of this character is going to commit suicide? Sir, the principle of special representation—I am not talking of communal representation—I do not want if possible to raise the communal bogey—the principle of special representation, that is, representation of landholders and commerce and so on, was accepted in the Minto-Morley Reforms. The Simon Commission said there should be no representation for landholders. Have we been able to abolish that special representation of landholders? My friend the Honourable the Maharaja of Darbhanga is not satisfied with the reactionary character of this constitution. He wants something more; he wants some more special representation. Sir, I think that once indirect elections are accepted, it will be very difficult, having regard to the conditions that prevail in this country, for indirect elections to be changed hereafter.

Sir, I do not want to take up unduly more time of the House. If I wanted, I could go into the minute particulars of this scheme. I assure the House that I have read every single document connected with this scheme. I have read the scheme from page to page, from cover to cover. I could go on discussing it for a long time. I do not wish to tire the House. But I will say this, that we do not wish Parliament to proceed with this legislation. We are prepared to struggle through the present intolerable and humiliating constitution. We are prepared to struggle through it, because we do not wish the difficulties in the way of India's self-government to be multiplied. The difficulties in the way of India's self-government are difficult enough in all conscience. We do not wish our children and our children's children to say that we failed on a critical occasion, and that we accepted a constitution which will block progress, which will, instead of helping India on to dominion status, retard her progress towards nationhood and democracy.

Let me just, before I close, make one or two observations in regard to the Communal Award. I wish my friend the Honourable Raja Ghazanfar Ali Khan had not raised the question in a direct form. Sir, I am one of those who would make any sacrifice for the freedom of this land and I approach the communal question from a different point of view to that of the school of which my friend the Leader of the Opposition is a distinguished representative. If we were getting the reality of power, then it might have been possible for me to reconcile ourselves to an arrangement which was not strictly in accordance with certain national principles. But, Sir, we are not getting the reality of power. We are getting a constitution which will only place certain vested and special interests in a position of advantage and which does not part with the reality of power. The danger of such a constitution is that these vested and communal interests will raise their demands higher when 10 or 15 years later the question of transfer of power becomes inevitable. Therefore, Sir, it is the constitutional issue which determines my attitude towards the Communal Award, and as I am not satisfied with the constitutional issue, I cannot support the Communal Award either. But I want to say just one word more in regard to the Communal Award. Indian politicians are blamed for inability to settle the communal problem themselves. The Simon Commission had ruled that in the absence of a settlement between the two communities, the old Lucknow Pact must continue, with this proviso that if the Muhammadans so desire, there should be a general electorate without any reservation of seats and with a franchise accurately representing the population ratio in the Punjab and Bengal. Now, Sir, if matters had stood where the Simon Commission had left it, there might have been some possibility of a compromise between the two communities. But

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what happened? After the Simon Commission Report came the Government of India's Despatch, and the Government of India made certain observations which had repercussions on the communal question. It is extraordinary that the Government of India did not realize the implications of what they were saying, because they indicated their dissent with the Simon Commission's observations. If it was really their desire that the communal question should be settled by the parties themselves, the least that they could have done was to refrain from commenting upon the communal question at all. But, Sir, let us examine this question a little further. There was a Unity Conference at Allahabad and I was present at that Conference. It was an ill-fated Conference. It failed. But very earnest efforts were being made to arrive at a common formula. A certain amount of agreement was also reached at that Conference, and Sir Samuel Hoare who had not announced the award in regard to the centre when the Communal Award was published was very anxious to announce the award in regard to the centre just when the conference was meeting and had arrived at a certain formula in regard to the centre. Is it surprising that Indian political parties under these conditions in a land of minorities were unable to arrive at any settlement? Sir, the Indian question is a psychological one. Throughout these discussions there has been a feeling among us that the reality of power is not going to be transferred and therefore members of the majority community say, "Why should we agree to anything when we know that power is not going to be transferred". If you tell us that you are transferring power, then I think the communal question will assume a very different colour.

Sir, it has been said that Indian political parties will work this constitution. I do not know what the word "work" means. It may be that circumstances will force us to touch this constitution, but it will be touched, if touched at all, in a spirit of militancy, which will not augur well for the relations of the two countries. It will not promote peace, contentment or happiness in this country; and the struggle for India's freedom will go on unaffected by this constitution. We may be weak today; we may be helpless today; but we shall not be weak tomorrow. It is in this faith that the builders of the national movement have worked during the last 30 or 40 years. It is in this faith that we work today and that we shall work tomorrow. Sir, a reference was made by my friend the Honourable Mr. Basu to the Liberal Party. I happen to be the General Secretary of that Party and I am in touch with the leaders of my Party, and I say that with the exception of just a very few men who are not as emphatic in their condemnation as some of us are, there is absolute unanimity in the Liberal Party in regard to this constitution. The lead was given to us by the Right Honourable Mr. Srinivasa Sastri, probably the greatest Indian with the exception of Mahatma Gandhi, and in opposing this constitution I find myself in the happy position of being in the company of some of the most distinguished Indians of this generation.

Sir, with these words, I support the Motion of the Honourable Rai Bahadur Lala Ram Saran Das. (Applause.)

THE HONOURABLE THE PRESIDENT: This will be a convenient stage at which to adjourn this debate till tomorrow, but before I do so I would remind Honourable non-official Members that after the Council is adjourned today the election of a member to serve on the Committee to be associated with the Central Board of the Reserve Bank of India will take place in Committee Room No. 64. Non-official Members who desire to participate in the election are requested to attend there.

The Council then adjourned till Eleven of the Clock on Wednesday, the 13th February, 1935.

COUNCIL OF STATE.

Wednesday, 13th February, 1935.

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

MOTION *RE* REPORT OF THE JOINT COMMITTEE ON INDIAN CONSTITUTIONAL REFORM—*contd.*

THE HONOURABLE THE PRESIDENT: The debate will now resume.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, at the very commencement of my speech I consider it my duty to express my sincerest gratitude to the Honourable the Leader of the Opposition and his colleagues for realizing that while they are not prepared to accept the Joint Parliamentary Committee Report, on one important scheme, namely, the Communal Award, their attitude will be that of neutrality. Sir, we are grateful, particularly when such a Motion is moved by the Honourable Rai Bahadur Lala Ram Saran Das, who holds a very high position in the Punjab. As a matter of fact, I must make my position clear so far as my amendment is concerned. It was not because, as my Honourable friend Mr. Saprú remarked yesterday, the Muhammadans welcome it or I welcome it. There is no question of welcoming the Communal Award. When I sent in my amendment I thought that the Joint Parliamentary Committee's Report could be divided into three parts—one, the Communal Award, which must form the basis of any constitution which may be passed; secondly, provincial autonomy; and thirdly, the scheme at the centre. That is why, while I can understand a person who votes for rejection of the Report not to take into consideration the Communal Award, I cannot understand how a man who desires to express an opinion on the merits of the Report can avoid bringing in the Communal Award? I also realize that on this question there is a difference of opinion between certain sections of my countrymen, the Hindus and the Muhammadans and those Hindus who are of nationalist views. That is why, Sir, having regard to this feeling, I would request you very kindly when putting this amendment to the vote to put it in two separate parts, because it is quite possible that some gentlemen may be ready to support the second and third parts of my amendment, but they may not be able to support the first part. I am sure that this attitude of neutrality which the Opposition Party has decided to adopt in relation to the Communal Award is really a very good gesture which we—and I think I am speaking on behalf of the Muhammadan Members here—very much appreciate. So far as the first part of the amendment is concerned, I do not content myself by saying that I accept the Communal Award, but I go a step further and say to accept it until the time when a better substitute is mutually agreed upon. It will be needless, Sir, to go into a detailed history of the Communal Award, but I shall sum it up in a very few words. I submit that several attempts were made for five or six years and all possible formulæ were invented, discussed and finally rejected. I would not say who was responsible for that, but the fact remains that we could not

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come to any settlement. On the other hand, we had to participate in the preparation of a scheme for India and therefore unless we had devised some means of settling this question it was impossible to proceed any further. That is why, Sir, this most thankless task was entrusted to the Prime Minister, and it would be the height of ingratitude if I do not express my sincerest thanks to the Prime Minister for very kindly undertaking this most unpleasant task and giving a decision which was very just and fair. I am sure, Sir, that for a person who does not belong to any of these communities it was impossible to arrive at a different decision. Sir, we the Hindus and Muhammadans and other minorities can sit together and we can find an alternative scheme, but if the matter is entrusted to an outside agency, it is impossible for that agency to give any other award except what is contained in the Communal Award. Then, Sir, several suggestions have been made. One of my Honourable friends speaking yesterday said, "Why not accept the Communal Award as given by the Prime Minister plus joint electorates"? Well, there are several suggestions which are worth considering and we are still making efforts to arrive at a mutual settlement, and I am sure the majority community will appreciate that we are not pressing this question because we want to bring religion into politics, but it is just to safeguard the interests of a community which is a substantial community in India and which has got its own culture, its own civilization and its own traditions. Now, Sir, I am sure that this Communal Award, the first part of my amendment, will be unanimously adopted and at least I hope that nobody would vote against it. As a matter of fact, since the last six months, there has been a great change in the outlook of the country towards this question. The main political group in the country have already realized that it is sheer waste of time to agitate against the Communal Award. Instead of entering into such useless agitation they are seriously thinking of coming to a settlement with the other communities and giving them an assurance that their interests will be safeguarded in the new constitution.

Now, Sir, coming to the second part of my amendment, namely, the scheme of provincial autonomy, I would submit that it is quite possible that some of my friends will consider that I have been a little indiscreet in using this phrase of "distinct" advance. Well, Sir, I do not claim to be a politician. I am a simple zemindar belonging to a martial race and I do not know how much to conceal and how much to express. I have just tried to frame an amendment which should be the embodiment of my own opinion about the Joint Parliamentary Report. I am sure, Sir, that nobody who has studied this Report would deny that as far as the scheme of provincial autonomy is concerned, it is a distinct advance on the present constitution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Question?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: My friend says that he questions the statement. Now, Sir, may I ask him through you whether this widening of the franchise, the removal of the official bloc and the nominated Members, the transferring of all departments to the charge of representatives of the people, whether all this is not an advance on the present constitution?

THE HONOURABLE MR. P. N. SAPRU: For the widening of the franchise and the elimination of the official bloc you do not want a new Government

of India Act, and I think you can also transfer subjects without a new Government of India Act.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I never argued that a particular Act was required to do all these things. My proposition is that the proposals contained in the Joint Parliamentary Report are a distinct advance on the present situation, and I have given reasons for that. The first is, as I have already said, the widening of the franchise and the removal of the official bloc; the second the transfer of all departments to the charge of ministers who will be elected representatives of the people; and thirdly, the provinces have been placed outside the control of the centre. So naturally, Sir, these are the advantages of the new scheme which we cannot deny unless we have got a biased mind.

THE HONOURABLE MR. P. N. SAPRU: The less of the control of the Governor General—

THE HONOURABLE THE PRESIDENT: Order, order. You have had your say. You must let the Honourable Member address the House.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I do not mind his interruptions, Sir.

Yesterday when the Honourable Mr. Sapru was speaking, his main criticism was against two parts of the provincial scheme. One was the safeguards, and the other the Governor's power to suspend the constitution in case of a breakdown. As regards safeguards. While I must confess that I do not consider that all the safeguards are necessary, at the same time, I must admit, that taking into consideration the present uncertain atmosphere in the country, certain safeguards for the Governor and certain special powers are absolutely essential. As far as the other objection is concerned, namely, to the Governor's power to suspend the constitution in the case of a breakdown, I do not think, Sir, there is anybody here who would suggest that when a constitution breaks down and there is anarchy, then the Governor should not be empowered to suspend the constitution. I am sure, Sir, that no one would use the safeguards unless it becomes absolutely unavoidable, and if we have got a strong Government, if our prime minister or our ministers are able to carry a thumping majority with them, I am sure no Governor will dare interfere with its work.

Just one word more about the safeguards. In any constitutional government, Sir, certain restrictions are necessary to make parliamentary government a success. While in Great Britain some of these safeguards have no other sanction behind them than the sanction of continuous custom over a long period, in a country like India, where we are introducing new responsibility, unless some convention is developed, there is no option but to put into the statute a few safeguards, which I am sure will be removed when certain conventions have developed. But, Sir, when speaking about provincial autonomy there are two points which to my mind are most objectionable. One is that, while they have transferred law and order, they are keeping to themselves this Intelligence Department, etc., and depriving the minister of being able to modify the police rules. Sir, I have tried to analyse and think out why this exception has been made while transferring law and order to the charge of a minister, and I have come to the conclusion that it is nothing but due to mistrust. Now what are they keeping back, and why are they keeping it back? So that information concerning certain agitation in the country should be

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confined to the Governor and should not be communicated to the minister so that the source of that information may not be revealed to an Indian minister? I wonder, Sir, if this object will be fulfilled when in the police we will have half a dozen responsible officers out of whom at least two-thirds will be Indians who will be knowing that information which will be communicated to the Governor and which is sought to be kept from the minister. Now, what will be the condition of the minister? The Governor will call him and tell him that he has received certain information which he is not prepared to reveal to him and on the basis of that information it will be essential that a certain piece of legislation should be passed by the legislature. The minister will have not only to face his own party but also to face the opposition, and naturally, Sir, when he tells them that he himself does not know why this legislation is necessary, how is it possible for him to get that legislation passed? Therefore, Sir, I hope that this objectionable feature will be removed from the Bill before it is finally passed.

The second is the question of second chambers. Sir, I luckily belong to a province where they have got no second chamber, but I am here to take an interest not only in matters which relate to my own province but to other provinces as well and I have been having conversations with my friends from various provinces and I have come to the conclusion that no province wants a second chamber, possibly with the exception of the United Provinces and Bihar, where probably the landlords are very anxious that their interests should be safeguarded against the tenants. Well, Sir, I have no such fear in my province because the relations of landlords in the Punjab with their tenants are fortunately very cordial and we have no fear that if the representatives of the tenants come to the legislature they will deprive us of our rights. But, Sir, may I request these great talukdars and landlords in the United Provinces and Bihar that instead of trying to invent a safeguard for them in the way of a second chamber, the best thing would be to have their relations with their tenants placed on a more friendly footing.

Sir, the idea of second chambers appears to me like a double brake. When the Governor has so many special powers, and when there are so many safeguards, then why have second chambers also? The best thing would be to give up one or the other. Either have special powers or second chambers. Of course, the latter will be very expensive, and will also make the machinery which is already slow, still slower. I hope that this idea of second chambers in the provinces will be abandoned.

Coming to the third part of my amendment which relates to the central scheme, the first point of importance is the substitution of indirect for direct election. Here I have no intention of giving any reasons, because it is an open secret that the Government of India are also of opinion that the form of election should be direct. I heard the other day the Honourable the Home Member remarking in the lower House that even the Secretary of State agreed with the Government of India on this particular matter. This leads to a very disappointing conclusion. Although constitutionally speaking the Parliament has the last word on all matters concerning India, why has this old principle of trusting the man on the spot been shelved in this particular matter? Naturally, it is the Government of India who know what is more suitable for India. If we go a step further, the Secretary of State may be in a position to know enough about Indian affairs because it is his portfolio. But to leave this matter to the choice of the elected Members of Parliament whose voters in their constituencies know nothing about India practically—at least 95 per cent. of them, I claim, do not know what is India like except of course

they know about Indian tea—to leave it to these people to decide what form of electorate is suitable for this country is most objectionable. Therefore I hope that the British Government will yet realize that to act against the wishes of the Government of India, against the united demand of British India and against the advice of the Secretary of State will not be a wise course. I find that there is a conspiracy to deprive the central Government in India of its representative character. For, what will be the representative character of those who will take part in the central Legislature? In the Punjab, I think 84 seats have been allotted to Muhammadans, and they will be required to elect 14 members to come to the lower House, which means that anybody who is able to obtain six votes can come and sit here and take part in—what subjects?—such important subjects as defence, the army, the finances, the foreign policy, important commercial matters, and the like. The result will be that those people will just be the nominees of the provincial Governors instead of being representatives of the people.

Coming now to the main scheme at the centre, the so-called federation, I personally am not at all opposed to an all-India federation. On the other hand, I welcome it. That is why I have worded my amendment as follows:

“With respect to the scheme of central government this House is definitely of opinion that it is retrograde and a setback to the progress of the country towards the realization of the ultimate goal of responsible government and therefore that either the federation should be confined for the present to British India alone and the method of election to the lower House should be direct instead of indirect or that the conditions laid down by the Indian States for their entry in the proposed scheme of federation should be radically changed, etc.”

Sir, I am anxious to have the Indian States represented in this House, but not under the conditions which have been laid down now. With your permission, Sir, I will just relate a few of these conditions. The first is that the representatives of Indian States will be nominated by their rulers. They may nominate anybody. If you see in the Act the disqualifications for members of the lower House from British India, you will see that one important clause is that no officer who is serving under the Government will be eligible to become a member of either House—

THE HONOURABLE THE PRESIDENT: Some of the States have no councils of their own. What are they to do? The ruler must nominate in that case.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I beg to submit, Sir, that it is not enough for them to say that because they have no councils, they cannot help nominating somebody. They can have councils in their States. Who can stop them from having councils of their own? Some of them have councils, although in most cases, they are just nominal. But, Sir, are they anxious to come into the federation or not? If they are, then certainly it is possible for them to have councils in their own States, if we tell them that that is the only condition upon which they can enter the federation. If they are not anxious, if they are being dragged into the federation, if they are being forced to come into the federation, what is the object? Sir, what I was saying is that the representatives of British India, whether elected or nominated, must not be officials who are serving under the Government. Why not have the same disqualification with regard to representatives of Indian States as well? For having such a disqualification, I would submit that it is not necessary for them to have a council. To make my point more clear I would submit that in most of the Indian States we have lent officers,

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and their number has been considerably increased during the last four or five years. Is there anything in this Bill to stop the princes from sending those people, who are lent officers as their representatives in the lower and upper Houses? If not, what is the consequence? We will have the official bloc under another name. Who will be those officers? Most of them will be Indian Civil Service officers; a considerable number of them will belong to the Political Department. Some of them will belong to the Army Department. Can anybody imagine that when they are nominated and when they are sitting in this Legislature, they will have any freedom of vote, any freedom of choice?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House): Why not here?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Because even now they have not freedom of choice. I was reading only yesterday the proceedings of the Federal Structure Committee where Sir Tej Bahadur Sapru said that when he was in the Executive Council during Lord Reading's time he had to issue orders to all the official members to vote on a particular side and they had no option but to so vote. You were present in that Committee, Sir?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Are you free?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Certainly I am

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Not as your constituency wishes you to vote?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: My constituency consists of the taxpayers, of people whose country India is and who want the Government to be in accordance with their wishes and whose interests are to be safeguarded by any Government, whether it be a representative elected body or a nominated body. But there is no use saying that the official bloc have any option in regard to voting on any matter. Suppose a vote is taken on my amendment, could anybody imagine or believe that His Excellency the Commander-in-Chief would walk into the same lobby and say, "I reject the Joint Parliamentary Committee Report"? Is that possible? Is any official member free to do that? The late Sir Muhammad Shafi, who also sat in the Federal Structure Committee, said that as a Member of the Executive Council he always issued orders to members how to vote on a particular measure. It is possible that that procedure may have been changed since, but it was there, and it is bound to be there. And certainly it is not unreasonable. I do not challenge or criticise it. It is perfectly right and legitimate that officials of the Government should not oppose the Government. But the point is, what is the use of having a legislature which will consist of a large number of officials who will owe allegiance—to whom? It will be a double allegiance, allegiance to the ruler who nominates them and allegiance to the Government to which they really belong and who has sent them to serve in a particular State for a particular period. Sir, this is the kind of federation we object to. Therefore, there is no use telling us that there is a certain school of thought that is opposed to federation. We are not opposed to it. It is really these impossible conditions which have been laid down with regard to the States in the proposed constitution that we object to. Then the question is, what modifications should be made in the conditions to

enable the States to enter the federation? Naturally, nobody can expect me in such a short time as I have at my disposal to enter into all the details, but as a charge is always brought against those who oppose any scheme of Government's that they have no alternative to suggest and only criticise, therefore with your permission I will just lay down some fundamental conditions upon which I am sure a large number of us would welcome Indian States coming into the federation. The first is the bringing of the State administrations to the same level as we have in British India. That is the most essential condition. Now, Sir, whether it is possible or not—

THE HONOURABLE THE PRESIDENT: How is that compatible with the claims of sovereignty?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I will answer that I will read out a passage from the most authentic book so far written on the Indian States, where it is laid down that this undefined paramountcy has also the power to force the princes to adopt a popular method of government in their States. I quote from the Butler Committee Report, page 28, where they deal with the point as to when the paramount power can interfere in the internal affairs of Indian States. They say, while discussing cases of misrule:

"If that were due not to mis-government but to a widespread popular demand for change, the paramount power would be bound to maintain the rights, privileges and dignity of the princes, but it would also be bound to suggest such measures as would satisfy this demand without eliminating the princes".

Now, Sir, that is absolutely clear.

THE HONOURABLE THE PRESIDENT: That is an expression of the views of the Butler Committee, but it is not the view which is now taken by the Princes' Chamber.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Well, Sir, naturally I cannot guarantee what views the princes may have at one particular time. Their views change so rapidly that it is impossible for us to follow them more closely than I am doing! The policy which they have hitherto very strictly observed of "mutual abstention" in each other's affairs has now been given up. Their view has changed. But what right have States in whose internal affairs we cannot interfere to come and take part in matters which concern British India alone? And here, Sir, with your permission, I will just read an extract from your own speech made in the Federal Structure Committee. You said, Sir,

"It is true that the States would not allow us to interfere with the internal autonomy of their administrations. It is perfectly right and legitimate that British Indians should resent the interference of princes in matters purely domestic affecting British India".

THE HONOURABLE THE PRESIDENT: That is quite a different proposition.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: This was the opinion expressed by you and what we are doing now in bringing this amendment is to reiterate the opinion of one whom nobody can call irresponsible, nobody can call an extremist, whose large experience of constitutional institutions in India must be a guarantee that whatever he says is just.

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Then, Sir, what are the other conditions upon which we are prepared to ask the princes to come and join us. One was a condition laid down by the princes themselves, a condition precedent that paramountcy should be defined. On that point I quite understand why the princes are anxious that paramountcy should be defined. I also realize the difficulties of the Political Department and the Government of India or of anybody attempting to define paramountcy. I am not here charging the Political Department with having misused paramountcy. No, Sir, I am only concerned with the fact that the interpretation put upon paramountcy has differed widely in the past, and until a universal and uniform interpretation of paramountcy is given no prince can feel sure what paramountcy implies for him. And it is proposed that such people should sit and deliberate with us whose sovereigns do not know the extent and manner in which the paramount power can interfere in their internal affairs. So, Sir, it is one of the most important conditions that this paramountcy should be defined.

Then, Sir, I would here, with your permission, just read out a few sentences from the same passage in the Report of the Butler Committee. While defining how far the paramount power has the right to interfere in the internal administration they say :

"No such case has so far arisen"—that is, no attempt has been made by the subjects of Indian States to have a representative organization—"and in particular if the advice given by His Excellency Lord Irwin to the princes, and accepted in principle by their Chamber, is adopted in regard to a fixed privy purse, security of tenure in the public services and an independent judiciary then there will be no need for the paramount power to interfere."

Now, Sir, is it possible for all the princes to bring their administration up to the same level as we have in British India? It is quite possible for some of the States; it is impossible for others. Supposing there is a State with an income of Rs. 3 or Rs. 4 lakhs or say Rs. 10 lakhs and there are a large number of them whose rulers can join the Chamber of Princes by virtue of their being rulers of particular States and whose income is about Rs. 10 lakhs a year. Would you expect a State with an income of Rs. 10 lakhs maintaining an army, maintaining a police force, maintaining their own judiciary, maintaining their own educational establishment, and all the nation-building departments? Do you think they will be able to have efficient administration? While our High Court Judges are drawing Rs. 4,000 and Rs. 5,000 a month, there are States where the Chief Justice of the High Court is not drawing more than Rs. 300 a month, while his powers will be exactly the same as those of the Chief Justice of the Punjab; that is, they could sentence a man to death and order forfeiture of property. I do not blame those princes, because it is impossible for them to do otherwise. It is for them to realize that the time has come when they should bring their administration to the same level as in British India. They can do so only if they put themselves into different groups. The bigger States, for instance, Hyderabad, Mysore, Travancore, Kashmir, Gwalior, etc., have sufficient money to carry on their administration. Why should not the smaller States group themselves into one province? Say, for instance all the States in Rajputana, form one province and mutually agree to transfer a few of their departments, reserving to them their privy purse, ceremonial and law and order and other special subjects, but surrender willingly to such confederation education, health, sanitation, and other nation-building departments and make a contribution to this mutual fund? This is not an entirely new scheme. Such a proposal, the Butler Committee Report says, was already considered by the States in Kathiawar. They thought that in order

to have an independent judiciary there ought to be one High Court for all the Indian States in Kathiawar. There is no doubt that these are radical changes, but, Sir, is it not a radical change that there should be federation for the whole of India. If we are prepared to bring about this radical change, why not bring about the smaller changes as well? When I say this, I may assure you that I am one of those people who have a very great admiration for the Indian princes, because they are maintaining the high and noble traditions of very great dynasties and India can rightly feel proud of them. As a matter of fact if somebody comes from outside and wants to see real India, he has still to go to an Indian State to see what real India is. I am strongly opposed to those people who want to see the dignity or the position of the princes being damaged even in the slightest degree. On the other hand I am giving this advice simply because this is the only way in which they can bring themselves on to a level with British India and maintain their dignity and position. If they want an all-India federation this is the proper way and not by somebody suddenly waking up one fine morning and making a speech at the Round Table Conference that he is ready to make sacrifices and join the federation? What are those sacrifices that they are making?—that they will nominate their men to go to the Assembly and Council of State to become ministers of the Cabinet; and if in the lower House out of 250 members from British India they can just manage to get a group of 50 members, they can certainly have all the Cabinet seats to themselves, and if by any miracle there is a dissolution, what happens? Those poor opposition members will go to their constituencies, fight the election and come back with a thumping majority to face whom? To face the same 104 men sitting tight in their seats absolutely unaffected by the dissolution or anything else. Sir, would any serious thinking man call it a federation or consider it a scheme worth having? Sir, we are threatened that this Bill which is before the House has passed the second reading and is going to be enacted; are you going to accept it or not and if you now oppose federation, the whole Bill may be withdrawn. Now, Sir, I am not talking with any heat or prejudice, but as a matter of fact I want to consider this thing carefully. Is it possible to have a British India federation? Here, if you would allow me, I would just quote Mr. Ramsay Macdonald's own words. When speaking in the House of Commons he said this could be done. He said :

"I have come to the conclusion that if British India alone came into the confederation or the question had to be considered by us, we should have had, by hook or by crook to devise some means of giving some responsibility to the central Government."

These are the words of the Prime Minister which were quoted by you, Sir, in the Round Table Conference in the Federal Structure Committee and you took this passage from the Prime Minister's speech in the House of Commons. Why tell us then, "If you throw away this all-India federation, there will be no central responsibility?" Why not have a purely British India federation with responsibility at the centre—confining it to British India for the present? May I ask one question? What would happen if the princes decide not to join the federation even on the terms now offered to them? I am not aware that the princes have yet made their decision that they are prepared to come into the federation on these conditions. If they say "No", what will happen? Will provincial autonomy be withdrawn? Shall we be left with the Montagu-Chelmsford Reform scheme? No, Sir. Certainly some methods will have to be devised to give us provincial autonomy and some form of government at the centre. Why not give us that form of government without inviting all this unpleasantness and criticism in the country, and if the Government of India are afraid of the extremist section taking possession of

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these Houses and abusing the powers, there are plenty of safeguards which they can have. Defence will not be under the control of ministers. There will be special powers vested in the Governor General and then I would not mind even if they maintain an official bloc. I certainly do not mind, I would prefer the official bloc to the representatives of Indian States nominated by the rulers because, after all, what are these gentlemen who are sitting on the opposite side now? They have a long service, they have had a most brilliant educational career, they have great love and affection for the country in which they have spent 20 or more years, in which they have made friends with people and they have really begun to consider themselves as one of us. So, Sir, would it not be extremely foolish on our part to give up the friendship of those whose faithfulness has already been tried and to invite absolutely unknown strangers. I would certainly prefer the maintenance of an official and even nominated bloc in preference to the nominated representatives of Indian States.

Before I conclude, with your permission, Sir, I will just say one or two words about the amendment which has been moved by my Honourable friend, Mr. Yamin Khan. As a matter of fact, I have no particular objection to the first portion of that amendment. He says, as we all say, that this scheme is unsatisfactory. It is only a question of using a few more adjectives or a few less. But the fact remains that he is not satisfied with the Joint Parliamentary Committee's Report. But he does not stop there. He goes a step further. He says, if this Act is passed what shall we do? We will give it a trial. Well, I am not one of those who refuse to give it a trial. On the other hand, even without the Honourable Mr. Yamin Khan's expressing it, we all know that if he is invited by the Government of India to come and take an oath and take his seat in the House he will not refuse. If I can persuade my constituency to return me unopposed as they have done now without incurring any expenditure, certainly I would not deprive myself of the pleasure of enjoying the hospitality of the Honourable Members of His Excellency's Council and our generous President. We will certainly come, we will be delighted to come, we will come here and we will eat and talk and do everything. But that is not the question, Sir. My objection to the Honourable Mr. Yamin Khan's amendment is similar to what it must have been if somebody from the opposition had said, "If this Act is passed we are not going to work it". I say, why talk about a thing six months or a year in advance? We do not know what is going to happen, what modifications are going to take place, whether there are any modifications or not. This amendment would have been quite relevant, I submit, if the Bill had been passed and the Government of India had asked us to give an opinion as to whether we are prepared to work it, to give it a trial, or not. Then most probably I would join hands with the Honourable Mr. Yamin Khan and say, "Yes, I am prepared to give it a trial, whatever its worth". But, Sir, who has asked us this question? I do not think the Secretary of State has asked us.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: The question has been asked.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Well, Sir, I am not aware of it and I shall feel extremely grateful to the Honourable the Leader of the House if he will tell us when he was asked, unless he has been asked by the Government of India through some confidential document. But as far as the Motion before the House is concerned, it is that the Joint Parliamentary Committee Report be taken into consideration. And what is the

Joint Parliamentary Committee Report? It is something that may be simply brushed aside by Parliament. We have been asked to give an opinion as to what we shall do about a document which has no legal value, which may be set aside by Parliament, which has already been put aside because the Bill has been introduced. This is a very important question because it will determine as to how I am going to vote on the Honourable Mr. Yamin Khan's amendment if the Honourable the Leader of the House will tell us that we have been asked by the Secretary of State that if this Joint Parliamentary Committee Report is embodied in an Act, what are you going to do?

THE HONOURABLE NAWAB MALIK SIR MOHAMAD HAYAT KHAN NOON: The Bill is based on the Joint Parliamentary Committee's Report.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, just reprinting certain portions of the Report and putting it in the Bill is not what we call an Act which has been passed. You know, Sir, my Honourable friend has been here for some time while I have been here for only two days, but he must know that the Bill is not considered to be passed unless it has passed the third reading. So it carries no value.

Now, Sir, I would submit in conclusion and I am very grateful to you, Sir, for having given me this opportunity of addressing this House at considerable length. I am very grateful indeed—I would now conclude by making one appeal to the Government, and I may assure you that it comes from the bottom of my heart. They should not be afraid of introducing responsibility at the centre. I can assure them that the Congress can do them no harm whatsoever. What was the Congress before 1920, Sir, may I ask? What was the position of Congress? Did anybody talk about the Congress in the villages? After all 90 per cent. of the population are in rural parts and only 10 per cent. in the towns. Nobody knew what Congress was. It is only since 1920 that Congress has become prominent. Probably 80 per cent. of the people even now in my province have no sympathy with Congress. Various people have said, and my friend the Honourable representative of the Chamber of Commerce from Bombay and the Honourable Sir Phiroze Sethna, also said that the present situation is due to the utterances of the Congress. Sir, I would submit that it is not due to the utterances of the Congress: it is due to the utterances of the Liberal Federation, because when the Congress people are saying anything against the Government people know they are enemies of the Government, they are anti-British, they are against the constitution, they are civil disobedience *wallahs*, and so they do not attach much importance to their utterances—they think they are prejudiced. But when Liberals get up and start abusing the Government, probably in more violent language than the Congress do and that is not followed by any action, then the people naturally say, "This Government must be an awful Government because the Liberals who are their best friends are abusing them right and left". It is their propaganda which is really creating the agitation in the country. I can assure you, Sir, that it is not only the Congress or the Liberals that the Government have to take into consideration. The main safeguard lies in the goodwill which still a large number of people have for the Government, and above all those martial races, those zemindar classes, whose faithfulness and devotion to their Sovereign is absolutely unshakable. They, Sir, will not be carried away by any amount of political propaganda. We have been faithful under most trying circumstances and I can assure the Government that our feelings and sentiments will be proved to be the same when really a time for trial comes. But please do not mistrust us. Do not turn a deaf ear to all that we say and only listen to the die-hards in England because

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we have a better claim on your judgment than the Churchills should have. After all, we are not forgetful of the great good which English people have done to our country in the way of development, in the way of education, in the way of turning India into a sort of all-India unit, for otherwise we would probably have been more disunited. We are grateful for all this. We are alive to it. We have full knowledge of it. Then do not mistrust us, and instead of beating a retreat and calling in new forces to fight your battles remain firm. I can assure you that you have a much better chance of success with us than these nominees of the Indian States. And what will you be doing by forcing this scheme? Just making an all-India federation impossible by bringing together the representatives of the Indian States and of British India under the present conditions. It is, really speaking, doing a thing which would make it impossible at any time to give the people of India a real all-India federation, while those who object to the scheme have always had in their minds that a time will come soon when there will be an all-India federation in the real sense of the word. (Applause.)

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise on a point of personal explanation. The attitude of the Progressive Party is that if the Raja Sahib will refrain from expressing any opinion, we shall do the same. We do not say that we have no views on the Communal Award. All that we say is that having regard to all the factors involved, it is not expedient to express any opinion. The Raja Sahib wants us to express an opinion and if he puts it to the vote we shall have to vote against the amendment as by remaining neutral we shall be enabling him to express an opinion.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : On a point of order, Sir. May I know if this is a personal explanation or a reply to my speech? Because, I would request that if it is in the form of a reply to my speech, I should be given the right to answer my Honourable friend.

THE HONOURABLE THE PRESIDENT : You said in your speech that the Progressive Party had promised to be neutral, and therefore, I think this explanation is relevant.

THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ (East Bengal : Muhammadan) : Sir, the Government of India Bill, now under the consideration is the lengthiest Bill ever considered either by the British Parliament or the Indian Legislature. The Bill enters too much into details. I would have been happy had the Bill been a short one and the details might have been filled up partly by the regulations made by the Secretary of State under the Act or by the Indian Legislature. Parliament is too clumsy a body for purposes of legislation. In fact, the Indian Legislature, however inefficient the people may call it, is certainly more expeditious than the British Parliament.

Now coming to provincial autonomy, I have no hesitation in maintaining that the present Bill is a great improvement on the Montford Reforms. In this Bill we find that the franchise has been increased : the official bloc has been removed : the dyarchy has been changed into unitary government : law and order has been transferred to the minister, but in spite of all this there

is still an unpleasant feature and that is the powers of the Governors. The Governor has got powers under four different categories :

- (1) Governor in his discretion ;
- (2) Governor in his own individual judgment ;
- (3) Governor acting in his own responsibility ; and
- (4) Governor acting under the Instrument of Instructions.

The powers reserved for the Governor are so great that we cannot call the provinces really autonomous, but one would admit that we are now on the highway to reach autonomy. The most important factor is the goodwill of the people without which no constitution would work.

I also take objection to the establishment of a second chamber in Bengal. The United Provinces wanted the second chamber, because that province still possesses aristocracy under the name of barons of Oudh and lords of Agra, but Bengal has not got a landed aristocracy in sufficient numbers so as to constitute an upper House. The second chamber is being thrust upon us without our demand and without our consent. I take this opportunity to press that the blessings of the second chamber may be reserved only for those provinces who desired to have it. Punjab in this case is more fortunate than we are in Bengal. The second chamber has not been given to the Punjab and I see no justification why it should be forced on Bengal.

Now coming to the Muslim representation in Bengal, I take serious exception. The Hindus of Bengal complain that they were very unfairly treated in their representation in local Councils. In fact, the persons who should complain most are the Mussalmans. The Hindus in Bengal are in a minority, and they remain in a minority, but the Mussalmans have an absolute majority. We are 54 per cent. yet we are given only 48·25 per cent. seats, in other words our majority has been reduced to a minority. I am in favour of giving weightage but not to the extent that the majority may be reduced to a minority or even to equality. Mussalmans are very generous : they are willing to give if they can afford to give. The high caste Hindus can possibly have no complaint against us. In fact, if they have any complaint, perhaps it is only against the Poona Pact to which we were not a party. It is purely a domestic question between the high class Hindus and the depressed classes. They have willingly consented to give them this generous offer for which they themselves are to blame. I do not understand the logical position of the Hindus. They have accepted the Poona Pact which is given under the Communal Award, and therefore the very acceptance of the Poona Pact indicates the acceptance of the Communal Award. The Mussalmans repeatedly attempted to settle the communal question among themselves, the Hindus never agreed to apply their mind seriously to this question. They always told us, " Let us fight together and forget our respective shares ", as Mr. B. B. Desai himself said, " Acquisition first : distribution afterwards ". May I ask the persons who hold this theory, why did they not tell it to the depressed classes instead of to the Mussalmans? What is the reason for this inconsistency? I can assure you, Sir, that the Mussalmans have always been ready, we are now ready, we will always be ready in future, to come to any honourable compromise with our Hindu brethren with whom we earnestly desire to live with brotherly affection in this country if they only generously recognise our rights also.

Now coming to the central Legislature, I do not know whether we would be happier under the present Bill than we are under the existing Government of India Act. In the case of the Council of State I strongly protest that the principle of separate electorates has been disregarded. The position of the

[Khan Bahadur Syed Abdul Hafeez.]

Mussalmans in the future Council of State will be worse than it is at present. We neither have separate electorates as at present nor will we have one-third places reserved for the Mussalmans and our ratio will be very much disturbed by the representation of the Indian States. It is rather unfortunate that we have been discussing the question of Indian constitution for the last eight years. We had the Simon Commission and a series of Round Table Conferences and everybody had his own story to tell, as one has prescribed :

“ Khud pareshan karde man kasrate fāhir ha ”.

(Many recommendations and interpretations confused everybody.) It would have been much better had the Report of the Simon Commission been given effect to in the year 1927, and we would, by this time, have been ready for the fourth instalment of our reforms.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH (Bihar and Orissa : Non-Muhammadan) : Sir, if I rise to speak on this Motion I do so with full responsibility. I thank the Government for giving this opportunity to express our views on this very important question. The Report deals with various subjects and it is not possible for any committee to satisfy all sections and shades of opinion either in India or in England. In discussing the Report I will have to deal with the merits on the one side and with the defects on the other. I will first deal with the merits of the Report.

In doing so I must admit that the Joint Parliamentary Committee has removed a great stumbling block in the present Legislature by their proposal to do away with the official nominated bloc. It has further improved the present constitution by doing away with dyarchy and by proposing to administer the provinces by the Governor with the help of elected ministers only. The Report has also done a very great service by widening the franchise to a very great extent which in itself will help in the rousing of mass political consciousness. On the whole, therefore, there is no denying the fact that the constitution proposed in the Joint Parliamentary Committee Report is a distinct improvement in some respects on the present one. But, Sir, at the same time, I cannot overlook the glaring defects in the Report for which it is neither satisfactory nor adequate as the people of this country expected. The people of India expected that the Joint Parliamentary Committee will at least recommend the inclusion of a preamble in the future constitution, reiterating the ultimate goal of India to be dominion status, with equal powers and rights like other dominions. But unfortunately, the absence of such a declaration has wounded the feelings of a very large section of the people of India who desires to see India enjoying equal status and rights, like the other dominions, by remaining within the British Empire. I know that the Secretary of State has made a declaration to that effect in the House of Commons the other day, and I admit that it has greatly allayed the apprehensions of the people, yet it must be admitted that this pledge of an individual Secretary of State cannot have the same force and sanctity as the preamble to an Act, when passed by both Houses of Parliament. Sir, I for one, cannot think of total independence, which brings in its train the question of strife, quarrels, feuds and bloodshed, which we bitterly experienced before the advent of British rule in this country. In my opinion, if the Report has recommended any safeguards for British subjects it is only due to our tall talk about expropriation and repudiation of all debts and obligations. No man with sanity, no man with fairness and justice, can ask the Englishmen to clear out of the country, where they have invested so much of their capital and holdings. Such wild talks like repudiation of

debts, expropriation and independence, are responsible for the insertion of the word “ safeguard ” in the constitution. It is up to us now to remove the stigma of those safeguards, not by wild talks but by our *bona fide* actions and constructive work for the benefit of our motherland within the sphere of the future constitution. We will have to strain every nerve to remove those safeguards, not by agitating against and rejecting the Report but by winning the confidence of our English brethren by our future actions.

Then, Sir, I have heard various criticisms against the special powers of the Governors and the Governor General. I must frankly admit that these powers also have found their place in the Report and in the future constitution due to our own fault. Under the present constitution we had the right of voting down the salaries of ministers and let us dispassionately examine how we have utilized that power. It is an open secret that this power was utilized in every province to break up the ministries and wreck the constitution. I think no constitution can ever tolerate constant change in the ministries without rhyme or reason. Naturally, in order to meet such contingencies the Governors and the Governor General have been invested with certain wide powers, making them more or less like dictators. I admit that the powers given are very wide and that they have practically made them like so many dictators but we must, at the same time, try to understand the point of view of the other side, which prompted them to propose such powers. It is obvious that they have proposed such powers only to meet future contingencies of which we were the makers in the past. I am not one of those to criticise the Report for criticism sake. If I criticise it, I do it when I find that the Report has ignored the real demands of the people. One such demand, as I said before, was the absence of the inclusion of the preamble, reiterating that the ultimate goal of the present constitution is to give India full dominion status within the Empire.

I next come to another of the important demands of the people which was the demand for religious safeguards. In this connection, Sir, I admit that I belong to the orthodox section of that great community living in India for the last thousands of centuries, *viz.*, the Hindu community, and I do not feel ashamed, rather I feel proud to call myself an orthodox Hindu. I therefore deplore that in spite of the united demand of the orthodox section of all the great religious communities living in India, insisting for the incorporation of religious safeguards, it has not found a place either in the Report or in the proposed Government of India Bill. Sir, the orthodox section of the Hindus, Muslims, Jains and other great communities have got some apprehensions, whether rightly or wrongly, that in the absence of any such religious safeguards the future legislatures may pass legislation affecting religious and socio-religious matters. I think if this feeling has been engendered in the minds of the people it is because of the passing of drastic social legislation, like those of the Sarda Act and the Intercaste Marriage Act. If this feeling of uneasiness has been created in the minds of the people, it is due to the introduction of social and religious legislation like the Hindu Marriage Dissolution Bill, the anti-Untouchability Bill and the Temple Entry Bill, etc. Sir, I think it was the duty of the Government to provide for some religious safeguards by which the legislatures would have been precluded from interfering with religious and socio-religious matters.

The next thing which the Report has ignored is the safeguards of the landholders and their proper representation in the different legislatures. India is a country where the landholders were the real guardians of the people and they were the real custodians of law and order in the past. I will go even further than that and say that the landholders were the main pillars on which

[Raja Raghunandan Prasad Singh.]

British rule in India was established. I only regret that no consideration has been shown to them in regard to adequate representation either in the provincial or in the future federal legislatures. Sir, I am glad that special concessions have been given to commerce and industry but it would have given me greater satisfaction if the Joint Committee would have shown the same consideration to the landholders. I think I will not be far from the truth if I say that it was the educated landholders who saved the provincial constitutions from wreckage in the different provinces in the past and the future will show that His Majesty's Government will have to rely on the landholders for saving the future constitution. I would therefore request the Government to press for the claim of the landholders for proportionate representation in all the legislatures as the representation given to them in the Report or the proposed Bill is very inadequate and ineffective. I do not want to dilate much on the landholders' grievances and demands as my friend, the Honourable Maharajadhiraja of Darbhanga has already spoken so ably yesterday on that question.

I have got one more point to bring to the Government's notice and I have done. If the Indian population could be classified then more or less they could be divided into three categories. First comes the unscrupulous professional agitators who can never be satisfied by any advancement in the constitution, because agitation is their living and more or less their birthright. Second comes the class of politically-minded intelligentsia who are constitutionalists and who must desire adequate advancement in the future constitution of this country until full dominion status is achieved. Third comes the great bulk of the population of India, namely, the agriculturists who are not vocal, but are silent sufferers. What I regret most is the suggestion in the Report for the levy of a tax on agricultural income. Even at present the agriculturists are half starved and if in the future constitution their income on agricultural produce is taxed, as proposed in the Report, then I am afraid the discontent amongst the peasantry of India will increase abnormally, and it will be just like giving a handle to the professional agitators to foment troubles which will neither be beneficial to Government nor to the masses, and which will also stand in the way of the politically-minded class to work the constitution. I would, therefore, request the Government to remove at least these defects in the proposed constitution and take steps to frame the future constitution in such a way as will relieve the burden of taxation on the peasantry of India, will satisfy the landholding and commercial classes of India who are really the pillars of the State, will remedy the causes of unemployment amongst the middle classes and will satisfy, even partially, the politically-minded class who are prepared to work the constitution.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Before I commence my remarks on the Joint Parliamentary Committee Report I should like to thank you, Sir, for accommodating this side of the House in the regulation of this debate. We cannot be forgetful of efforts which the Honourable the Leader of the House made to bring about the happy result.

Sir, we have heard more than a dozen speakers already. The debate was started by my Honourable colleague Sir Phiroze Sethna, who was himself a mover of one of the amendments. The Leader of the Opposition who had another amendment to his credit was the third speaker, and Raja Ghazanfar Ali Khan, although he kept us in suspense the whole of yesterday, took compassion on us this morning, and told us the reasons for bringing forward

his amendment. But our Honourable colleague, Mr. Yamin Khan, who is not present in his seat at the moment, has been keeping the good things he has to say till the last minute, and I think it is rather unjust on the House that the mover of an amendment of such a categorical nature as his, which has had no replica either in the Assembly or elsewhere where this Report has been debated, should keep back his reasons for bringing that amendment. The Honourable Member was a distinguished member of the other place formerly and I believe he was the leader of one of the parties too. He was a Member of the Assembly when the Assembly passed a notable Resolution rejecting the White Paper. His sense of constitutional propriety was not sufficiently awakened then to bring forward a Resolution of this nature, but coming on the Government ticket and having no people's constituency to answer he can be as irresponsible as he likes and he can serve his constituency, the Government benches, as much as he pleases. But he has absolutely no right to pledge India to any line of action. As my Honourable friend Raja Ghazanfar Ali Khan has pointed out, it was out of place to say whether the constitution will be worked or not worked. No one has so far either in the Legislature or in the press or on the platform stated that it will not be worked. It is a sort of gratuitous service which was not really required. The Raja Sahib has rightly pointed out the question of working the constitution will arise when the constitution has been forged. We cannot promise to work a thing which is non-existent. Parliament having sovereign powers has absolute right to change the Bill out of recognition and therefore the pledge that India will work it is futile. But I am very thankful for the small mercy which he has shown ; he has not told us that this constitution will be worked with goodwill. After all, that is the main criterion by which we can judge. When a man is sent to jail he is under prison discipline. He has to work. Is that work with his pleasure, with his goodwill ? He will have to work like a slave. There are still even in this House people like my Honourable friend (Mr. Kidwai) whose motto is that he is here not because he believes in this Council but because he keeps out undesirables from coming in. It is in this spirit that the Congress has come in, and others may come in the new constitution to keep out undesirables who sing to the tune set by the Treasury benches. Mr. Yamin Khan says that it will be worked, it will be given a fair trial in working ; whether it will be a fair trial in working or an unfair trial in working does not rest with the legislatures, or the future members of the legislatures, but it rests primarily with the Governors who, if they are human enough and have sense of liberty, will allow this constitution to work. If they are not so, they will make the constitution impossible and they will have minions in their service.

I am very glad that the Honourable the Leader of the House has set us a very good example in introducing this official Motion with a short and precise speech. I am especially glad because he has not followed the precedent of the other place where there were quibblings, vituperations and bickerings going on between the Treasury and the non-official benches. We also have as far as possible I think followed that good example. After all, the occupants of the Treasury benches come in daily contact with Indian Members ; even the Executive Council consists of about half Indian Members. They cannot be as unmindful of our interests as the Czar of Whitehall can be, and some of the Members of Parliament have been ; sometimes they have fought as much as is in their power for the good of India. They may not have gone as far as we are going, but it is an open secret that they did try their level best to do something for the benefit of India, but they are as powerless as ourselves. Parliament is the supreme body and they are doing what they like irrespective of what the Government of India or the people of India think.

[Mr. Hossain Imam.]

Sir, the anxiety of the British Government of India to force this reform is pathetic. One can very well ask the reason why it is so anxious. India, at least the predominant portion of India, is not willing to have anything to do with this constitution. The Congress came to the Assembly on the special ticket of rejection of the White Paper. If the electorate is not supposed to know their own mind when they sent the Congress, I wonder who can know the mind of real India. If the Government of India is not supposed to know the mind of the Indian people who are the outside Englishmen, the Members of Parliament, to decide what is India's wish? Destiny has placed them over our heads to rule us, but they are not sufficiently alive to the realities of the situation to realize how far things have gone. They will have to take the consequences, as their forefathers did, during the reign of King George the Third. When Parnell demanded Home Rule for Ireland it was refused. It was not given when John Redmond demanded; but when the Sinn Feiners made the life of the "Black and Tan" impossible, when they had anarchy, the Commander-in-Chief of the Republican Army came over to England to conclude peace and the world knows the result. By giving it late Southern Ireland is almost out of the British Empire to all intents and purposes. If England delays the giving of reforms it will have to face the same consequences as they faced in Ireland; but if they are wise, if they adopt the method which their forefathers adopted in introducing the North American Act and the South African Act, they will be sure of keeping India in the Commonwealth of British Nations.

Sir, we are told that Englishmen and Parliament simply want to have good government in India and for this reason they have introduced all these safeguards. As my Honourable friend Mr. Basu pointed out yesterday, the main thing is not the constitution, but the personnel, I have rather a sad experience of that. My Honourable friend Raja Ghazanfar Ali Khan was very enthusiastic in his praise for the members of the services. I am rather sorry to tell him certain concrete facts, which will show how this service has disregarded the interest of the masses and sided with the classes. I will remind him of only last year. In two provinces, the United Provinces and the Punjab, debt legislation eminently in the interest of the masses passed by the legislatures were returned by the Governors for modification in the interest of the classes. These are the people who are there to serve the masses, to safeguard the masses from us, the intelligentsia, who are supposed to be bent on the ruin of the masses.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: That is the difference between the Leader and the Deputy Leader!

THE HONOURABLE MR. HOSSAIN IMAM: I am sorry, Sir, that some of the Members have pointed out that bad blood has been created by the Congress. I say, Sir, that bad blood has not been created by the Congress. The real instigators, the people who really brought this idea of a difference between man and man were those under His Excellency the Commander-in-Chief. When the Indian Army went to Flanders and saw the treatment which the Frenchmen gave to their own Colonial Army, they saw the equality which prevailed in Flanders and realized their own position, and felt that they were dirt beneath the feet of Tommies; it is they who inspired the Congress with all these ideas. It was those who went there, who went to fight for England's hearth and home, outside the home country, and saw how meanly they were treated, it is they who came back with all these ideas that were instrumental in creating the present position in the country.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: They were very well treated in France.

THE HONOURABLE MR. HOSSAIN IMAM: By the French; not by the British. There was a great deal of difference between the treatment which Algerians received from the French and our men received from the British troops.

Now, Sir, I come to the basic reasons for India's dictum that this constitution is not acceptable. As I said, Sir, acceptability means that if the thing is accepted it is worked with a good will; *if it is not acceptable and we are forced by circumstances to work it, it will be worked with a will to end it.*

My Honourable colleague, Sir Phiroze Sethna, has given many instances of economic exploitation which underly the present position. I will cite one or two more. The fact that legislation affecting the currency cannot be moved in the legislature without the previous sanction of the Governor General, and currency will not be a subject under the Finance Minister, makes it a potent instrument in the hands of the British Government to ruin Indian trade and commerce. By means of keeping the exchange high, they can bring to a standstill the Indian export trade. They can flood the country with their own goods and so economic exploitation can go on in spite of any legislation we can pass, simply by means of manipulating currency and exchange. In defence expenditure, Sir, the idea that the central Legislature should have no vote is not compatible with any sense of responsibility. We are there to bring money into the coffers of the Government but we have absolutely no voice as to how it should be spent. No limit has been placed on military expenditure. It is Rs. 46 crores this year, it may rise to Rs. 56 crores next year and the federal Government will have no power to prevent the increase. The federal Government has no power to lay down even the duties of the Army in India: these are laid down by the British authorities and as at present devised it does not only include the safety of India from aggressions of second and third class powers, but it includes the responsibility of imposing its will on the neighbouring powers including first class powers which may be on our boundaries. And its duties also extend to keeping in check and imposing its will on foreign countries. The Indian Army has to fight and safeguard our frontier from first class powers till such time as an army from the Empire may come into India. That, Sir, is clearly a duty which is more imperial in nature than Indian, and I have the highest authority for saying that

"if a British army of this strength were not maintained in India, the British Government would have to maintain an army in Eastern waters to safeguard its imperial interests". That is the opinion of one of the highest military authorities that we know in India.

Sir, the whole scheme is permeated with distrust of India's capacity to rule itself. The constitution of a Statutory Railway Board means nothing more or less than that it should be outside the purview of the legislature. Being under a statutory body who will have full powers to do what they like, the legislatures will be deprived of the rights which they now enjoy and therefore the present scheme is distinctly a setback. Not only this, Sir, but even the rates which we could now fix by Acts of the legislature will be outside its scope, and therefore everything can be manipulated in the interests of British trade by hook or by crook. *The result of this will be that while at the present moment we have about 45 per cent. of the total expenditure of the Government of India voted, in the new constitution there will not be even 15 per cent. of the expenditure subject to the vote. This is what we are told is an advance!*

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Now, Sir, I come to the statement of the Joint Parliamentary Committee which is perfectly true as far as it goes, though it does not mention the other essential counterpart of the same thing. I am referring, Sir, to paragraph 69 of the Joint Parliamentary Committee's Report, where they discuss the English and the dominion constitutions and state that all executive power rests with the Crown, and in a similar manner the transfer of the powers will be made to the Governors and the Governor General. This is a perfectly true statement of facts. But what it overlooks is the countervailing power that the English and the dominion constitutions possess, namely, the power of the purse. While all executive power is given to the monarch, because the purse strings are in the hands of the legislature they can impose their will on the Sovereign. That essential part of the contact, which makes two and two four, has not even been mentioned by the Joint Parliamentary Committee. It is the controlling power of the purse which has gained for England's Legislature all the powers that it now possesses. *If India had also been given that power, we would not have complained about the safeguards, because we would then have had a counter-check and effective safeguard against misuse of the safeguards.* But to deny the very basic principle of the English constitution and to force down our throats the other part of it and say that there is the precedent of England and the dominions is to throw dust in our eyes. Sir, half truths are worse than lies!

In the British Parliament and in the dominions there is no alien body of officials, who always look outside the country for support. The executive power rests with the Sovereign, and the people who have to carry it out have no one else to look forward to for support but to their Sovereign, and that Sovereign being under the control of the legislature by means of the power of the purse, so that ultimately everything comes under the control of the Parliament. Whereas in India we will have an alien body of members of the civil service, the police service, the military service and other classes of services who will owe no allegiance to the representatives of the people. The orders of the future ministers of the central and provincial Governments will have to be carried out by men who owe no allegiance to them, and whom the ministers cannot even degrade or punish for any acts of commission and omission. They will go scot-free, unpunished and yet we are told that we have to follow the dominion precedent. It is a slur on India to say that we cannot find out the trick which Government have played.

I now come to a definite example of the retrograde nature of the proposed constitution. The present Government of India Act, section 50, says—and there is a like provision for the Governor General—that in all matters coming before the Governor in Council, the rule of majority shall prevail, except in so far as the safety or tranquillity of India is concerned, where only the Governor or the Governor General can over-ride a majority of his Council, but in regard to other subjects, the rule of the majority will prevail. If there is a difference of opinion between an Executive Councillor and the Governor, the Indian Member has the deciding voice. I am giving the instance of my own province where there are only two Executive Councillors, one European and one Indian. Whenever there is a difference of opinion between the European Executive Councillor and the Governor, it is the Indian Member who settles the dispute. With whomsoever he agrees, he carries the day. That is a distinct advantage which we have under the present constitution, and which will be denied to us in the future constitution. There, all the ministers will be brought down to the same level of being nonentities.

The Governor is not to be bound by the Act to follow the advice of his ministers. That is to come in through the Instrument of Instructions. The Joint Parliamentary Committee has frankly admitted that placing it on the Statute-book would have far-reaching effects, but that if it is shoved into the Instrument of Instructions, it will not be so forcible. That, Sir, I regard as a distinct setback from the present constitution.

I now come to the safeguards. I am not going to discuss them in detail, because they have been very fully discussed by other Members. I will only say that I wish that there had been some sort of curb on the misuse of these safeguards. I know that where the Governor's individual responsibility is concerned, he is answerable to the Governor General, and the Governor General is in turn answerable to the Secretary of State. But we know the lack of knowledge of these higher authorities of the conditions in the provinces and in India respectively, and therefore we cannot have much trust that these safeguards will be of much good. The greatest safeguard against misuse would have been to make these safeguards usable only under certain conditions. But the conditions are not given. They are left hanging in the air. Whenever a question of special responsibility comes in, the Governor can disregard his ministers. I now give the instance of the services. I am not referring only to the all-India services which are to be retained by the Secretary of State but of all the services. They at the present moment owe allegiance to the Government of the province. Thereby, their allegiance is to the representatives of the people. The Joint Parliamentary Committee Report takes away that allegiance and asks them to owe allegiance to the Governor who is himself the symbol of a foreign rule. Thus, the allegiance of the services is being tampered with. They are distinctly asked not to look to their own Government as the superiors, but to look to the Governor and be independent of the representatives of the people. Government cannot expect us to be very thankful to them for this change. Now, Sir, as far as the all-India services, the Indian Civil Service and the Indian Police Service are concerned, the position is also worse than what it is at present. According to present plans, Government are bound in 1937 to call in a report on the working of the Indianization scheme and to reconsider if it is necessary to increase the pace of Indianization. The Joint Parliamentary Committee Report is even more retrograde than the White Paper which suggested, Sir, that after five years from the enactment of the Constitution Act, the position of the Indian Civil Service should be revised. The Joint Parliamentary Committee Report says that it should not be revised before five years after the coming into office of the first provincial Government, and of the central services not before five years after the federal Government comes into office. The Joint Parliamentary Committee does not make it compulsory that even after five years the position will be reviewed. It makes the position indefinite. It only fixes a minimum period within which the question cannot be looked into. This is especially anomalous when we know that the pay and emoluments of the services under the Governor General and the Governors have been revised with the exception of the all-India services which are under the Secretary of State, in which case no revision has so far been made. We have asked times out of number what the Government is going to do, but we have never received any reply as to what action the Government proposes to take. The Joint Parliamentary Committee puts a seal to by saying that you can make as much of an outcry as you like but we are not going to hear you and you will have to be content with the services highly paid as they are. I remember when somebody asked His Excellency the Commander-in-Chief about the lower standard of pay given to our own cadets in

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the Indian Army, he said that they were receiving the same pay and emoluments as British officers received at home. That is a good precedent, that Indians in India should receive the same salaries as Englishmen receive in their own country. We consequently expect that the same principle should be applied in the civil services of India. The basic rates of pay of the Indian Civil Service, the Indian Police Service, Indian Medical Service, and other services should not be higher than the figures which similar services command in England, over and above which they could get the present overseas allowances. But if the Government is not prepared to abide by the principles which have been laid down by them in the Military Department, it is idle for us to hope to convince them.

Now, Sir, I come to certain matters concerning my own province. I very much regret that so far as Bihar is concerned, the Joint Parliamentary Committee has been less liberal to us than the White Paper. In Appendix A of the White Paper (in reference to paragraph 18), it was proposed that Bihar would have 18 seats in the new Council of State. The Joint Parliamentary Committee has given us 16 only. And how anomalous the system of election to the new Council of State is, will be apparent when I tell you that there are only 30 members in the local upper Chamber who will elect the 16 members to the federal Council of State. Not even two full votes are required for election to the future federal Council of State. This system of indirect election through the local upper Chamber is also retrograde as compared with the White Paper, inasmuch as the latter proposed that the members of both the provincial Legislatures, the upper and lower, would vote together to send representatives to the federal upper House. Now the members of the provincial lower Chamber will have no voice in the election of the federal Council of State Members.

I come next to a particular trouble of ours, the excluded and partially-excluded areas. Unfortunately Bihar has got a large tract, almost a third of its area, which under the present Act is called a backward tract. That area is very thinly populated, and for the most part it is not caste Hindu or Muslim, but mainly consists of Christians and aboriginal communities. But these communities have through education advanced very considerably, so much so that I was happy to find in the Lady Hardinge College for Women that while there was no student from the advanced province of Bihar, there were two students from these so-called depressed backward tracts. That is their backwardness. In the matter of education they compare favourably with South Bihar, but still they are kept under perpetual minority control and not allowed to have their full say. It is very unfortunate that these so-called backward areas should always be excluded and not be allowed to take their proper place in the political life of the country.

I now come to federation. I very much regret that when they considered federation the Government did not consider it advisable to differentiate between States and States. There is no doubt there are States in India which have every right to stand on their own legs and to have a separate entity. Nobody can say that Mysore, Hyderabad, Kashmir, Baroda and Travancore do not compare favourably with the smaller provinces in British India. But that States which have absolutely no powers, to whom a Deputy Commissioner is more of an overlord than the Viceroy, should be recognized as units in the federation is essentially wrong. There are States which have not even criminal or judicial powers, where the revenue even is collected by British Government officers and divided up between these people who claim to be States. I refer to Rewa Kantha and Mahi Kantha States. And we

all know the Simla Hill States. These are the people who will federate a equals with the great provinces of British India and of great Indian State like Hyderabad and Kashmir. There ought to have been some sense of proportion in making this scheme of federation. The majority of States to all intents and purposes are no better than our zemindars in Bihar, the United Provinces and Bengal. And still they are recognized as sovereign States. The Honourable Raja Ghazanfar Ali Khan in discussing the Indian States has very pertinently said that one cannot say what their opinion may be in a day or two, but we know that the paramount power as such has absolute power to lay down everything for them. Their sovereignty not being recognized under international law, they have no existence except as under the orders and overlordship of the paramount power, which is at present Great Britain. Therefore the paramount power cannot say that it has no power to force any system on the States. The paramount power has taken upon itself the safety and continuance of these princes.

THE HONOURABLE THE PRESIDENT : What about the Treaties between them and the paramount power ?

THE HONOURABLE MR. HOSSAIN IMAM : As far as that goes, I should like to mention that there are differences between Indian States. I P. M. More than half the Indian States, if I remember aright, have no treaties with the British Government ; they have only *sanads*. Take, for example, Kashmir. It was a created State for Rs. 75 lakhs.

THE HONOURABLE THE PRESIDENT : A *sanad* has the same sanctity as a treaty.

THE HONOURABLE MR. HOSSAIN IMAM : The primary condition of a *sanad* is that the existence of the State is a subordinate one. It is a created thing and a created thing cannot have co-equal power with the creator. Sir, it is the duty of the paramount power as guardians of the rights of the people who are the ultimate sovereigns. International law recognizes the sovereignty of the people and as the paramount power has taken the place of the sovereignty of the peoples and overlordship over the princes they have a moral obligation to do the right thing by the people of the Indian States just as they have the moral obligation to give British Indians what British Indians are demanding. What they have done for British India already if they do even that much for the poor and down-trodden subjects of Indian States they would be doing but bare justice and duty which rests on their shoulders.

Sir, I now come to the vexed question of the Communal Award. Whatever its merits or demerits, we are not going to discuss that. It is nothing to be jubilant about. It is a thing which is shameful to all Indians, whether Hindu, Muhammadan or anybody else. We had to admit our inability to compose our differences which has forced us to ask a third party to come to our rescue ; and I know a Persian poem which says that going to hell is better than going to heaven with the help of your neighbour.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : You cannot go to heaven or hell !

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I say the thing is a *fait accompli* and no amount of agitation can have any effect on it. There is only one way of amending it—a way which is known to India—that is, by agreement. The Poona Pact amended the Communal Award, because the people

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who were concerned agreed to a change. In the same way the present Communal Award can be amended if the people of India are ready to compose their differences. There are people on this side of the House whose personal opinion, like my Honourable friend Mr. Sapru, might be different, but we as representatives of our constituencies are bound to be guided by what the constituency says. As the Honourable the Leader of the House pointed out we are not free lances. We are bound to follow the mandate of our own constituencies and therefore it would be better if no expression of opinion was made.

THE HONOURABLE NAWAB KHAWAJA HABIBULLAH OF DACCA (Bengal : Nominated Non-Official) : In this matter what does your constituency say ?

THE HONOURABLE MR. HOSSAIN IMAM : My constituency says that I have to support the Communal Award as it is, although I feel ashamed of India's asking for the Communal Award, not of the mandate.

Now, Sir, in conclusion I should like to say one word more. Give us whatever constitution the British Government wish to force upon us, but do not expect us to acclaim it or to give up our right to ask for more ; and if you give it now you may satisfy us, but as days pass on, the demands of India will increase. What it would be pleased to receive now will not satisfy even the most backward section of Indian opinion in the future. A time like this will never come. If you take the opportunity, you can have peace, tranquillity and connections, but if you wait for the inevitable day when India has power not only to make demands but power to force demands, to take it out of your hands, no amount of concession on behalf of the British Government will move by an iota the course of events which will follow in the wake of the awakening and the power of India.

Sir, I conclude.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, reference has just been made to the verdict of the country that was given in the last Assembly election. I ask whether it is seriously contended that the ordinary voter in the country was aware of all the issues involved in the White Paper ? Did he know anything about the constitution that was outlined in the White Paper ? The fact is that if in spite of his blissful ignorance of all the important issues involved the ordinary voter in the country has returned a party which appealed to the country on the rejection of the White Paper, it was not because the voter was keen about the rejection of this White Paper, but simply because the voter welcomed the gesture of co-operation on the part of the party whose conduct for some years past had been of such disastrous consequences to the country. The voter welcomed this gesture on the part of the party which had frittered away its energies on destructive movements, movements which caused such enormous amount of suffering both to the people engaged in it and those outside, movements which had menaced the peace and prosperity of the country. The voter welcomed the party expressing its willingness to give up this sort of attitude and take to constitutional methods, the voter thought that it was a very good opportunity for the country to be rid of the menace of these movements. It is on this ground that the country supported the Congress Party and we welcome the Congress Party in the Legislature since we feel that there is now less danger of these disruptive movements menacing the peace and prosperity of the land.

Now, Sir, as regards the campaign against the White Paper, though this campaign had hardly any effect upon the voter in the country it cannot be denied that this had a very serious effect, a very powerful effect, in another direction. It is this campaign against the White Paper which is responsible for most of the defects that we now find in the scheme adumbrated by the Joint Select Committee. Sir, my Honourable friends who condemn the scheme of the Joint Committee on the ground that it has failed to carry out the suggestions made in the Joint Memorandum of the Indian Delegation forget that it is they that have to blame for the failure on the part of the Joint Select Committee to give effect to those recommendations. If this campaign had not been carried on against the White Paper, if those people who had participated in the deliberations in London for the making of this new constitution, if these people had not been repudiated and stigmatized as traitors, and as people who had no claim to any feeling of patriotism, if this had not been done, if they had not been disowned, and if, on the other hand, every political party in the country had combined and concentrated their efforts on seeing that the suggestions made by their representatives in London were given full effect to, the result would have been thoroughly different.

Sir, since the controversy about the Communal Award has been prolonged *ad nauseam* I would have preferred to omit all reference to this vexed question, but, Sir, since in the course of the discussion both today and yesterday much criticism was levelled against the Communal Award, I am forced, in spite of myself, to make some observations regarding this question. Sir, it was said that but for this Communal Award, but for the fact that it was announced at some psychological moment, the Unity Conference at Allahabad would have succeeded in deciding upon some mutual agreement. Sir, it was also stated by the same Honourable Member that if only this Award had not been announced, Moslems would have been left only with the Lucknow Pact. Sir, in pursuing this argument the Honourable Member tried even to reinforce his argument against the Communal Award by invoking the aid of the recommendations of the much abused Simon Commission. From the trend of his arguments it was perfectly patent that the suggestion was that if only the Lucknow Pact had not been disturbed, if only the Moslems had been left with the rights ceded to them under that Pact, they would have been coerced into some sort of an agreement, they would have been forced to come to terms with the majority community. But, Sir, it is hoping against hope to think so. My Honourable friends forget that long before the announcement of this Award, so long ago as 1929, the Moslem community had made clear the conditions on which alone they said they would be prepared to co-operate in the working of the constitution. Therefore, Sir, even if this Award had not been published it would not have been possible for anybody to have coerced the Moslem community into any agreement which was not honourable. But, Sir, granting for the moment that such a thing was possible, that the Moslem community felt itself so helpless that it would have been ready to accept any terms that might have been offered to it, is it the kind of agreement that we could conceivably encourage ? Is it the kind of foundation for establishing nationalism in the country. An agreement forced upon minorities by sheer coercion, could such an agreement constitute a basis for laying the foundation for the building up of the Indian nation ? Again, Sir, even this Communal Award, as was correctly remarked by the last Honourable speaker, is not one of which we are enamoured. We accept it because it is not possible to come to any settlement with the majority community. This Award falls very far short of our demands but we accept it because we feel that in the absence of this Award it is not possible to make any further progress. In

[Saiyed Mohamed Padshah Sahib Bahadur.]

accepting this Award we are making a sacrifice and we do it in order that we may be able to exercise the communal spectre which haunts us at every step and thwarts every attempt to take a step forward. So, Sir, we are ready, as we always have been, to enter into any reasonable and honourable understanding with the other communities in the land and we would welcome the day when it will be possible for us to come to a mutual understanding among ourselves without having to take what the outsiders give to us.

Now, Sir, as regards the scheme which is now under consideration, the whole question resolves into this. Does the scheme adumbrated in the Joint Parliamentary Committee Report mark an advance? Does it mean a substantial improvement upon the present state of affairs? Does it, in a word, put us on a path which leads to self-government, taking us nearer the goal than we are at present? Sir, to determine this question, we have to see how far responsibility has been conferred on the legislatures of the country. Sir, it cannot be denied that a great deal of responsibility and power is given to the representatives of the people, though under certain conditions this transfer of power has been limited by special responsibilities and safeguards. But, Sir, let us take first the change that is proposed to be made in the provincial sphere. Here we find that complete autonomy has been conceded and the provinces have been freed from the shackles of dyarchy which had hitherto prevented them from developing on their own lines. Ministers will be directly responsible to the legislatures, the members of which will be elected representatives of the people. Henceforward, the main concern of the ministers will be to secure and maintain the support and co-operation of the members of the legislature who in their turn would have to keep satisfied their own electorates. Thus, Sir, it will become the bounden and primary duty of every member of the provincial Legislature to try to cater for the needs and requirements of the voters, to try and promote the welfare of the masses, to try and secure for them competence, comfort and happiness, for if he failed in this duty he would reap the fruits of failure when he would make an appeal for re-election. Therefore, Sir, there would be every possibility, every opportunity and every necessity to expand the nation-building departments, to increase and redouble all those activities which would go to ameliorate the condition of the people. Is it wise then, Sir, to kick away the opportunity that is offered, this great opportunity of service? True, Sir, there are safeguards and special responsibilities. But these safeguards and special responsibilities are not meant for ordinary occasions. They are not intended to constitute the normal feature of the working of the constitution. So long as the ministers are men of commonsense, men of experience, so long as they can conduct the administration of the country on sound lines, and so long as they would be fair and just, meting out equal treatment to all classes and communities, they need have no fear from the extraordinary powers of the Governor. Does it stand to reason that when the ministers are anxious to see that there is no breakdown of the administration, when they are anxious not to give an occasion to the Governor to use his special powers, the Governor, whose duty and whose sole aim should be to help in the working of the constitution and see that it is a success, that he will want only and without any justification interfere and would not allow real power to be exercised by the ministers? I think it does not stand to reason that when the ministers and the legislature are interested in the success of the constitution, the Governor would do anything to jeopardize the proper working of it. I do not mean to say that occasions will not arise when it will not be possible for both the parties to pull together. But those occasions will be few and far between,

and it is for those occasions that these safeguards are intended, so that, in case of a breakdown of the administration, in case of chaos and crisis, there may be somebody to save the situation, somebody who would be able to step in and say that this shall be and that shall not be. As regards central responsibility, it cannot be denied that the measure of progress conceded here is very much less, but to a great extent I think it is inevitable from the very nature of things. Defence, external relations, and so forth could not be transferred.

THE HONOURABLE MR. HOSSAIN IMAM : Not even partially?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : They could be, but circumstanced as we are, it is not possible for us to assume charge of the defence of the country. Unless India is possessed of an efficient army, manned and officered mainly by Indians, quite as well-equipped as any other army in other countries, it will not be possible for India either to assume charge of defence or to attain complete self-government. My own feeling therefore is, that instead of merely asking for a greater measure of responsibility in this direction, it would behove us better or serve a more useful purpose if we press upon the Government the necessity for speeding up the Indianization of the army.

So much about the merits of the scheme. I will now say a few words about some of the defects which need to be corrected in the course of legislation in Parliament.

THE HONOURABLE MR. HOSSAIN IMAM : If they are not rectified, what will be your attitude?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : I am one of those who have no particular love for second chambers. I admit that the second chamber at the centre does have some useful functions to perform. But I fail to see the justification for a second chamber in a province, where it is quite obvious that this chamber, besides becoming a stronghold for vested interests, would also entail an unduly heavy cost, which it would not be possible for the provinces just in the beginning to bear. Again, regarding the method of election to the federal Assembly I do not want to take much time over it and repeat the arguments already advanced. Almost every Member who has taken part in the debate has spoken about it or has taken strong objection to it. Sir, objection to the joint method of election is taken by the Joint Parliamentary Committee on the ground that direct elections would not be desirable in view of the large number of voters in the future constituencies. This objection does not hold water. You have got now a smaller number of seats in the central Legislature, so that the number of voters in each of the constituencies is very large, quite as large as the number of voters that you would have for each constituency under the reformed constitution since there the seats would be increased. If it is possible today for the candidates to appeal to the voters in the present constituencies covering such large areas, it must be equally possible for them to approach the voters when the area of the constituency is reduced. Again, Sir, indirect election takes away the means of contact between the representatives and the provincial voter. Again, Sir, we know that when provincial autonomy is introduced, centrifugal forces would be increasingly rampant and it will not be in the interests of the Indian nation, that at a time when these forces will have a tendency to increase, we should do things which would go to help this kind of tendency and deprive the people of the opportunity of taking an all-India view of questions. As regards the Council of State if indirect election to this

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Council has got to be maintained, I would suggest that candidates for the Council of State should not be confined to the members of the upper chamber in the provinces and that the selection should be made from a larger constituency and that even outsiders should have the right to stand for election.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces: Nominated Non-Official) : Sir, I have been criticized by my Honourable friend Mr. Hossain Imam for not having got up earlier to make my points clear to him and to give him my arguments in support of my amendment. I was surprised when I came to know of this. As you are aware, Sir, on the express request of the members of the Opposition my amendment was put fourth, although it stood first as regards giving of notice. But I agreed and gave place to the Honourable Rai Bahadur Lala Ram Saran Das, the Leader of the Opposition, to enable him to put his amendment first, and similarly two other amendments were moved before mine, and this was done at their own request.

THE HONOURABLE THE PRESIDENT : And I think that the Honourable Mr. Hossain Imam was also present at that time ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Yes, Sir. And after that concession on my part his complaint as to my not getting up earlier caused me to wonder that that should have come from the Honourable Member in that manner.

THE HONOURABLE MR. HOSSAIN IMAM : On a point of personal explanation, Sir. I did not say he was wrong in moving his amendment but in withholding his speech for such a long time. The Motions were moved simply nominally and the speeches were made in support.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : As my Honourable friend is aware, the moving of the amendment was also related to the request of his Party that they should be put to the vote first, and they should be allowed to speak first. All this had been conceded by me, who ought to have been the first to move my amendment, at their express request, and for them to come and attack me was not justifiable. However, in any case I do not know why he wanted me to speak early. My amendment as it stands is quite clear. My arguments are contained in the book which he has read carefully. The Report is comprehensive and gives all the reasons. Everybody who has studied the present constitution and who has read the Joint Parliamentary Committee Report can see for himself whether it is an advance on the present constitution or not. I can only quote the arguments of the Report itself. There is nothing new. I, on the other hand, wished to hear my Honourable friends as to why they wished to brush it aside and what the defects in the proposed constitution are, and why they thought it is not an advance on the existing position. But I am sorry to say that the speech which

I heard from the Leader of the Opposition threw no light on that. He quoted from the papers and he quoted the opinions of public men disapproving of the scheme proposed, each more or less saying the same thing, until you, Sir, called him to order and asked him to express his own opinions as it was the opinion of this House which was wanted. After that I heard nothing to throw any light on the alleged defects of this constitution. I have heard something from other members of his Party. The arguments of the Honourable Mr. Hossain Imam are the arguments which we have heard in other places. There was nothing new. He did not compare the proposed scheme with the present constitution except on one or two minor points which had been already dealt with by other members of his Party.

First, Sir, I will take certain objections which were raised by my old friend the Honourable Sir Phiroze Sethna. When he moved his amendment he gave very elaborately the defects which he thought existed in the new constitution. He said that all parties are against that, that all political parties in India are against the Report and they do not accept it. Sir, I have never said that all the parties accepted the Report. That is my Motion. In my amendment that is also embodied. He pointed out certain things. But points which are not acceptable to one party may be acceptable to other parties. There are certain points which are not acceptable to my friends the Liberal Party members ; they are acceptable to the others. There is my friend who has said that it is the Communal Award that is not acceptable to them. I say that it is acceptable to the others. Which is the point that has been made that it is not acceptable to one and is not acceptable to the whole of India ? There is not a single point here in the whole constitution. My Honourable friend Raja Ghazanfar Ali Khan has said that there should be no second chambers in the provinces. Certainly it is not going to be given to him. May I ask what business has he got to speak on behalf of the United Provinces ? He gave a lecture about what the landlords should do and he concluded by saying that there will be no necessity for second chambers. It is a fact that members of the provincial Council and provincial committee members who sat with the Simon Commission and Members of the United Provinces Legislative Council, one and all have said that there should be a second chamber. It was the voice not of the big landlords of the United Provinces or the talukdars of Oudh, whom my Honourable friend Mr. Mehrotra has got the privilege to represent in this House. They were not the only people. It was the voice of the United Provinces Council that agreed to this. Nobody has ever risen in the United Provinces to say that they do not want a second chamber. It is the unanimous voice of one province that they want a second chamber.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : I am prepared to have a referendum on that point.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : His own revered father also accepted that. He never raised a voice against a second chamber. I take it that it was acceded to for the last five or six years. It may not be—

THE HONOURABLE MR. P. N. SAPRU : It is wrong to say that he ever accepted second chambers.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Is it or is it not a fact that before this Joint Parliamentary Report came in, there was not a

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single dissentient voice on this point in the whole of the United Provinces, not a single speech in the provincial Council, neither on the deliberations on the White Paper, neither on the deliberations on the Simon Committee's Report, neither on the question when it was allowed when the first Round Table Conference met? In all these opportunities which had been given to this House, to the Assembly, to the provincial Councils, never has a voice been raised against this point.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: May I ask one question if the Honourable Member will give way? Is there one elected member from the United Provinces in the lower House who, while they were discussing this point for three days, has said that he wants a second chamber. Is it not a fact—

THE HONOURABLE THE PRESIDENT: I think we are going out of our way. Will you (to the Honourable Mr. Mohammad Yamin Khan) please resume your speech?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My Honourable friend wants me to enter into these controversies. If my Honourable friend wants to know, he may read the debates and he will find not a single member from the United Provinces got up and said that he does not want it. These are the points that we have come to know in the Joint Committee's Report. While one point satisfies one, it does not satisfy others. There are some people who may say that this point is acceptable to them and the rest is not acceptable. As I have myself said, the Report does not satisfy all political parties; certainly it falls far below the demands which Indians have been putting before the British Parliament. I never said that it is a perfect scheme or that it is a scheme for which we have been looking forward. It has got its own defects; every constitution has got its own defects and it is only experience which shows us where the defects lie and those defects are remedied after our deliberations and experience which we get by working the constitution. We have not to forget three points in this question. The first is what we demand, the second is what we deserve and the third is what those people who have got the power to give us are willing to give us. First of all, everybody thinks that he is the most capable person and wants what is not considered by others to be deserving. We have to see our own defects first. If we remove our own defects then we can put up a united demand before the country which has got the power to give that it is this thing which will satisfy us and nothing else. India tried, Indians tried, many times to come to a decision between themselves. They never came to any agreement. There was this challenge. Once a challenge was put to Indians and my late revered friend Pandit Motilal Nehru took up the challenge and he said he could produce a constitution. He did produce a report. But may I ask whether it was accepted by the people of India? When that report which intended to give Indians a great advance in the constitution came out it was condemned from all sides, from all quarters, from all provinces, and by all communities. There was nobody except Pandit Motilal Nehru's small party that supported the Nehru Report.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Question?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: If my friend will read the debate of the other House, he will find it.

THE HONOURABLE MR. G. S. KHAPARDE: Question again?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My late friend Pandit Motilal Nehru had to take refuge by saying that he was not asking for the acceptance of his report and he was heckled from all sides. That was the result of the Nehru Report. We have found that every advance, every effort that was made to come to a settlement between the communities themselves was not acceptable to one or the other; and the result was that not only in India but in England Indians made a poor show and they gave to the British public and to His Majesty's Government an idea of their capacity.

THE HONOURABLE MR. G. S. KHAPARDE: Question again?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: That was by their not agreeing on certain questions which related between communities and communities. They made a very poor show and they showed that it was for His Majesty's Government only to come to the rescue, and the Prime Minister had to give this decision which he was not quite happy to give but was forced to give because for two years Indians did not come to any conclusion among themselves. That was the chief thing which led to this hopeless condition and whatever defects there are in this Report I attribute simply to our own differences.

THE HONOURABLE MR. HOSSAIN IMAM: May I point out that the Report of the Joint Delegation is there, which no party in India has repudiated yet.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I will come to that point if my friend will have the patience to listen to me as I had the patience to listen to him. If that had not been, Sir, the result would have been absolutely different. Now after making that show in England for two years, even when Mahatma Gandhi was asked to come to the rescue, it was considered that Mahatma Gandhi as the spokesman of the Congress and as leading the great agitation in this country, would be able to persuade all the communities to come to one point, but what did Mahatma Gandhi do in England? We all know. He failed hopelessly. He failed and he admitted his helplessness and he said that he was speaking not on behalf of the Congress but on his own behalf. Well, when he went there, when he was asked to join in the deliberations of the Round Table Conference it was not in the capacity of a resident of his native town but as Mahatma Gandhi, the leader of a movement, of a party in India, and if he goes there and he says that he can speak only on behalf of himself, yet here, whenever he speaks he speaks on behalf of the whole of India, when he is leading an agitation or making a demand he speaks on behalf of India, when he is asked to speak on behalf of those whom he represents he says: "No, no, I do not represent them, I can speak only on my own behalf". But that was a hopeless position, that the leader who is the foremost leader of India fails there and makes a poor impression. What impression was created in the minds of the British public? The impression he created was this, that nobody is prepared to take up the responsibility. People are prepared to agitate, to demand, but no one is prepared to take the responsibility whenever there is a question of running a risk of losing popularity. vryebEody can become popular by stirring up excitement but how many people are there who would be willing to take the risk of being unpopular in the country simply because they want to do the right thing. That is the

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chief criterion by which the outsider can judge the capacity of a country. The question is not whether we are ready to make a demand but are we ready to shoulder the responsibility? That, Sir, is the point which has led to these difficulties and I can blame nobody for these defects but ourselves first. Still, the time is not very far, when a nation begins to see its own defects, for constitutional defects to be removed. It is for us to take a lesson from this Report as it has emerged from the Joint Parliamentary Committee. If we cannot take this lesson even after this Report, then we shall never take it, and we shall be always fit only to be governed by others and will never be fit to govern ourselves. Certainly there are some matters which we can say are not according to our demands. My friend, the Honourable Sir Phiroze Sethna, has pointed out one relating to commercial questions very eloquently. I quite agree with him, Sir, on many matters and I think fiscal autonomy and freedom as far as our commerce is concerned are the chief things in which we must have full powers. But I have again to see whether it is possible or not to do it because although I agree with him in his conclusions I do not agree on the point on which he bases it. He bases it on one point which struck me. He said that when young Mr. Churchill said that instead of 25 per cent. the duty on British piecegoods should be reduced to 12½ per cent. he was upholding something which was going to be against the interests of India. Well, Sir, I wonder if the Honourable Sir Phiroze Sethna was speaking on behalf of India or on behalf of the millowners of Bombay. If I, as a consumer, can gain by the reduction in duty from 25 per cent. to 12½ per cent. I shall certainly welcome it because the goods which I am accustomed to buy will become 12½ per cent. cheaper for me and if the Honourable Sir Phiroze Sethna wants that by a heavy duty the price should be kept at such a high percentage as to give him a good margin of profit on the products which the Bombay millowners are putting on the market, well then he speaks only on behalf of a handful of people and not for the whole of India. I will welcome the day when the duty on British piecegoods will be reduced from 25 to 12½ per cent. because that can only be done when the expenditure of the Government of India is reduced to such an extent that the income which is derived from this high tariff can be relinquished. That will be a day very welcome to India. It may not be welcome to my Honourable friend, Sir Phiroze Sethna, because he will not find the margin and the high profits which he is getting today on his output. But here, Sir, the consumers in India are far more in number than the producers, and the consumers, the people whose purchasing power has gone down so low that they cannot afford to purchase the costlier thing for even a pice extra means something to them. All this, Sir, I do not advocate and I agree with my Honourable friend, Sir Phiroze Sethna, on the point that we have to tackle the question of Japan. I do not mean the cheap goods which Japan is marketing in this country because they are not the goods. They are only the things which attract the people's sight and they are not cheaper in the long run. But the whole wealth of India is being drained to Japan, and poor people simply because they cannot afford to buy costlier goods are tempted to purchase these goods which have got no value really and British piecegoods especially and other goods, ties and other articles, which are coming and taking away the wealth of India which ought to have been kept in India, that will be welcome if any means are devised to stop this drain of the country's wealth, and that can only be done, Sir, when we have fiscal autonomy.

My Honourable friend, Sir Phiroze Sethna, has attacked the ministers on certain points. He said that the ministers will be servile and anybody who

wants to keep his ministry will be willing to abide by the decision of the Governors. You, Sir, very rightly put in a remark that he was paying a very poor compliment to the ministers of his own country and to the capacity of his own countrymen. If my Honourable

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friend, Sir Phiroze Sethna, thinks that the people who will be returned on the votes of the people of the country, that the minister who will be enjoying the highest confidence of the legislature, will want to retain his position somehow or other, at any cost, then I think the country has not advanced far enough to get responsible government. But I do not share his view. I say that in this country, the man who will enjoy the confidence of the majority in the legislature, will be a man of sterling qualities. He will certainly tender his resignation the next day to the Governor if he finds that the Governor is going against the wishes of the majority. In my own province, once the ministers did not agree with a certain suggestion made by the Governor, and both the Ministers, Pandit Jagat Narain and Mr. Chintamani, tendered their resignation the next day to the Governor. They said that they could not see eye to eye with the Governor and therefore they had better resign from their posts. The prestige of the minister will always come forward to make his conduct above board. Who will be the ministers? It is given in paragraph 85, page 47 of the Report. The White Paper proposes that the Instrument of Instructions should ask the Governor to select his ministers in consultation with the person who in his judgment is likely to command the largest following in the legislature. The man who commands the largest following in the legislature is bound to be taken up as the minister. It will not be an act of favouritism. Anybody cannot come forward and take charge of the ministry unless he can command the confidence of the majority of the House. The minister can exist only as long as he can enjoy the confidence of the majority. If a man can command the majority by playing this trick, then it is hopeless for the country. It is only condemning ourselves by alluding to it in this manner. I think the minister will never enjoy confidence unless he is above board. At the present moment, the minister is not the man who enjoys the greatest confidence of the elected Members of the House in the provincial Legislature. It is a great advance on the present constitution that the minister in the proposed constitution will be the man who will enjoy the greatest confidence of the elected members. Nowadays, a minister can exist, not by the majority of the elected members, but by the support of the nominated members and the Government bloc. My Honourable friend, Mr. Hossain Imam, wanted to know what is my reason for saying that the proposed constitution is a great advance. I have given him this one instance, that the minister will be the real representative of the elected people of the country.

THE HONOURABLE MR. HOSSAIN IMAM: Is he not now?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I have just pointed out that under the present constitution, he need not enjoy the confidence of the majority of the elected members. He may have the confidence of a minority, but if that minority *plus* the nominated bloc brings in a majority, he can keep his ministry.

THE HONOURABLE MR. HOSSAIN IMAM: You can reject the demand for his salary now, which we cannot do under the future constitution.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: That is my argument. I am saying that it is an advance on the present constitution.

(At this stage, the Honourable Mr. P. N. Saprú rose to interrupt.)

THE HONOURABLE THE PRESIDENT: Order, order. Let the Honourable Member address the House. Will the Honourable Member please proceed?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: What is the advance? I will give another illustration. At present we have got dyarchy in the provinces, and dyarchy had been opposed from the very beginning of the present constitution. I have heard speeches for the last 14 years not only in the legislatures but on the platforms outside also saying that dyarchy was not suitable for India and that there should be no reserved subjects in the provinces. That had been the demand since 1921. I find that the Joint Parliamentary Committee have accepted this, and dyarchy is being removed. There will be no executive councillor, there will be no two parts of the Government in the provinces. All responsibility will be on the ministers. Even law and order will be under the charge of the minister. I will deal with the question which my Honourable friend Raja Ghazanfar Ali Khan put about the Intelligence Department. But as far as it goes, law and order, the police, the budget, finance, everything will be in the hands of the ministers who will be the elected representatives of the people. That is a great advance which we are going to have. It has been said that certain powers are reserved to the Governor. I have never said that this is a perfect scheme. But I say that it is an advance on the present constitution. That is my position. Instead of having two sides in the provincial Government, the Governor consulting his executive councillor on certain subjects and the minister on certain other subjects, though there have been certain Governors who have had joint meetings of the executive councillors and the ministers on many matters; they wanted the opinion of the ministers too; whom they consulted on most important questions, but that was not obligatory on the Governor; other Governors did not like to do so—but under the proposed constitution, it will be all ministers elected by the people, and nobody else will be there. It is also laid down in the Joint Parliamentary Committee's Report that the minister should either be an elected man or that he must seek election within a short time. He cannot be a nominated member. He cannot be a person who can come in without election. This is a great advance. Up to now, the Finance Member in the provinces has had full power. He can make the budget as he liked. He can give as much to the transferred subject as he can spare. The ministers may be grumbling that they have not got a sufficient amount, but this will not be so in the future. The whole power will be in the hands of the ministers and the ministers alone. There is one point which my friend and many Members of this House will like and that is the idea that it will not be a ministry of one party or one religion alone. That is a great advance as the country stands today—not perhaps as we would like India to be. This ministry of all communities will safeguard the interests of the minorities in the provinces.

THE HONOURABLE THE PRESIDENT: I think you have sufficiently emphasized that point about ministers. Will you proceed with others?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: The Honourable Raja Ghazanfar Ali Khan said that he objected to only one of the reserved powers of the Governors, he does not object to all.

THE HONOURABLE RAJA GAZANFAR ALI KHAN: I never said that.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My Honourable friend has referred to only one in his amendment and in his speech, therefore I take it he only objects to one and not the other responsibilities and special powers put on the Governors. I am dealing with his case as he put it, and the power in question relates to the Intelligence Branch of the police. Sir, the minister may enjoy the confidence of his people and province and if he enjoys the confidence of the Governor as well there is nothing to bar the Governor from confiding in him also. The power given to the Governor is that he may not disclose the information if he does not wish, but it does not bar him from doing so if he so wishes. (An Honourable Member: "Will the Governor appoint him if he has no confidence in him?") The Governor is bound to take the minister who commands the confidence of the majority in the House, whether he likes it or not or put any confidence in him or not. Even if terrorists captured the seats in Bengal, for instance, the Governor will have to accept their choice. But in the case of such a person he would certainly like to know what he is doing privately to further the aims of his party. He will have to know about each and everybody with whom he comes in contact, and clearly he cannot supply these people with the information which is collected for him. That must remain confidential, because if the confidence were betrayed nobody would ever again come forward with information in this country. In my experience of 20 years at the Bar I know that the police have got clues in many cases because the informer is protected and the source is not disclosed. Many murderers and dacoits have been brought to justice simply because the informer has known that his confidence would be respected. In this country, as well as in others, it is essential that such confidence should be respected. The minister though he is the head of his party may be betrayed by his best friend and clearly the source of such information cannot be passed on to the minister. As long as India stands where it does today, and it is very disheartening to me that my country should be in that unhappy position, you cannot have it otherwise, and we must abide by conditions as they are for the benefit of the people at large and not for the benefit of a few. Therefore my friend's objection that this special power is based on the mistrust of the Governor is not correct, and it is essential for the safety of the country.

THE HONOURABLE THE PRESIDENT: I have allowed you 45 minutes. Will you please bring your remarks to a close now.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My Honourable friend Raja Ghazanfar Ali Khan made another point with which I do not agree regarding federation. As a matter of fact, I was not myself enamoured of an all-India federation, but I found that all political parties in India accepted it and wanted it. This cry against it should have been raised at that time when the first Round Table Conference met, and if it had been I should have been the first to support it. In fact I criticized it in the other House when it was proposed, but that was not the voice of the whole of India and all parties accepted the principle. Therefore the sole question now is the conditions on which the Indian States can come in. My Honourable friend says that they should not be represented by the nominees of the rulers. But, Sir, it is not for us to dictate to the States how they should send their representatives to the legislatures. It is for them to decide how best they can send them. I shall welcome the day when the people have responsibility in the States and when the representatives of the States will be returned by

[Mr. Mohammad Yamin Khan.]

the people of the States. That day is to come. But this is the foundation which we are laying. If the Report is accepted and federation comes in the manner proposed, after a certain time we are bound to make progress, including the Indian States, which are not able to progress now. The only way in which we can have advance in Indian States is through creating a public opinion in the States and then by coming up to the level of British India. Certain States will be ready, others will not be ready to come in. It is laying down the foundation for a great progress. I think it is an advance over the present constitution. I wholeheartedly support my Honourable friend Raja Ghazanfar Ali Khan and if I had the choice I would much prefer at the present stage the official bloc, that I would much prefer an advanced and cultured official bloc to the bloc which will take its place from the Indian States. That is not a good substitute, but that is inevitable. It was the cry of the people of India that the official bloc should be abolished and it is going to be done away with. There was no other way to accommodate the representatives of States. You have to please not only the provinces, the communities and every State. I wish to quote here, if you will allow me, only one passage from Pandit Motilal Nehru ?

THE HONOURABLE THE PRESIDENT: I have to bring to the notice of the Honourable Member that there are five other Members to speak today and I want to close this part of the debate if possible today.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I am closing. Only for the information of the House I shall very briefly quote one passage to show what was the demand that was put up on behalf of the Swaraj Party in 1925 by the late Pandit Motilal Nehru in the Legislative Assembly when he moved the Motion on the Muddiman Committee's Report. I find that the Joint Parliamentary Committee Report does not fall far short of the demands which were put. I will not quote, but I will give for the information of Honourable Members who want to read the reference. It is at page 854 and the date is the 7th September, 1925. Honourable Members will find that the Joint Committee's Report is very much according to the demands which had been put by him, and therefore I think it is a great advance on the present constitution, because it is in accordance with the demands of the people of India and the people of India will welcome it and work it. Therefore I commend my amendment.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official): Sir, it is with some diffidence that I rise to say a few words—and I assure you, Sir, that I shall not take up much time—in support of a measure which has been received with varying degrees of disapprobation by the political groups of my countrymen. My apology is that on this momentous question the reactions of the country at large can only be ascertained and properly assessed if responsible people who are not engaged in active politics also give clear expression to their considered opinions. I thought I heard a plaintive note in the Honourable Sir Phiroze Sethna's speech yesterday when he suggested that he was rather weary of the praise that was being lavished on the Joint Committee Report. I do not think that the utterances of public men in this country could have contributed to that feeling and I do not anticipate that in anything that I might say in the course of my remarks I shall put a strain on him or on any other Member of this Honourable House.

I frankly admit that the scheme of reforms adumbrated in the Joint Committee Report and embodied in the Government of India Bill now before Parliament falls far short of Indian expectations; but our disappointment should not deter us from giving that dispassionate consideration to the scheme on its merits which it deserves. We should consider whether the scheme as a whole is suited to the facts and conditions of Indian life and whether it is adequate to India's needs at the present day. We may agree to the scheme; we may not. But few will deny that the structure of government which the best statesmen of Great Britain, and may I add the best statesmen of India in their own way, have built up is a constitutional masterpiece and displays masterliness of design and consummate craftsmanship. It will go down to posterity as a landmark not only in the history of the Indian constitution but in the constitutional history of the world. Doubtless there are features in it on which there have been very sharp differences of opinion; doubtless also there are features which Indians would like to see omitted or altered; but I submit, Sir, that the scheme should be taken as a whole before we give our final judgment upon it. Very many features of this scheme have been made the subject of various amendments and criticism has been directed to them in the speeches. I shall confine my remarks to two or three of these points.

The first point that I propose to take up is the question of federation and the accession of the Indian princes. I realize that this is a subject on which one must speak with restraint and with becoming decorum. I am sorry to say that I have sometimes heard sentiments expressed, though I readily admit that these sentiments have not been expressed in this Council, which would lead one to suppose that British Indians thought it was a very great concession on their part to allow the Indian princes to come into the federation. I do not know very much about Indian States, though I claim some acquaintance with some of the States in the south. But I know that it is most dangerous to generalize about Indian States. Questions were raised in the morning's speeches about the government, and the administration of Indian States. I do not pretend to be able to express any opinion on that matter, but, knowing the South Indian States as I do, I can challenge anyone to say that they are not on a footing of absolute equality with British India not only in their administrative efficiency but in the principles of administration which they follow. I will take one instance. There are two States in the South, Cochin and Travancore. I believe these two States occupy the first two places among the States and provinces of India in regard to literacy. There are other features also in which they could show an equal predominance. But that is not our point now. I think it will be to the mutual advantage of both the Indian States and British India if the Indian States come into the federation, and I really hope that no effort will be spared in bringing about the federation. I hope that the idea of the federation will be proceeded with and not suspended even for a short while. It was suggested that the members from the Indian States should be nominated. I do not care whether they are nominated or whether they are elected by popular suffrage in the States. I can assure Honourable Members that the representatives who may come from the States will be able to hold their own with the other members who may be elected into the Assembly or the Council of State.

The next point that I wish to touch upon, Sir, is the question of second chambers. This, I notice has aroused a considerable amount of hostile criticism. I cannot understand why. Evidently the Joint Parliamentary Committee's Report has left the matter to be decided by local opinion. Personally I think they should have taken a stronger line in the matter. The chief objection, as far as I have been able to understand, against second chambers

[Sir Ramunni Menon.]

is that they will form the stronghold of vested interests and privilege and as such will impede progressive legislation calculated to benefit the masses. Now, I would like to ask, Sir, whether there are not second chambers in other countries in the world. I believe that in almost every democratic country there is a second chamber. Under the new constitution, provinces will practically enjoy autonomy in most of the matters that touch the daily life of the people. Therefore, if in a self-governing country a second chamber is considered necessary, I should have thought that a similar institution was equally necessary in a self-governing province in this country. The idea that the second chamber would be the stronghold of propertied people and wealth seems to me to rest on a fallacious assumption. There is nothing in the constitution which prescribes that only wealthy people should be elected into the second chamber. They may as well be elected into the lower, first chamber, and I am not aware that there is any casual connection between wealth and conservatism. Are there not, have there not been, men of wealth and rank in the Liberal and Radical groups in England and in other countries? Have there not been and are there not men of wealth in the Congress ranks? Have these people been associated with reactionary ideas? I suppose not. I fail to see therefore why the second chambers in India alone should be associated with the extreme conservatism and reactionarism which is supposed to stand in the way of progressive legislation. I believe, Sir, there are very strong reasons in favour of second chambers. The function of the second chambers has been clearly set out in the Joint Parliamentary Committee's Report. A second chamber has no equal powers with the first, at any rate a provincial second chamber has not. That is made perfectly clear. Its function is to delay legislation and it is given powers of revision and delay for this purpose. I consider such a provision is absolutely essential in the interests of good legislation. I do not know what the experience of Members of this Council coming from other provinces is, but I believe I am expressing the feeling of the presidency of Madras, at least of very important sections in that presidency, when I say that the existence of a second chamber would have avoided the acrimonious controversies to which certain recent legislative enactments in that province led. I therefore consider, Sir, that the recommendation of the Joint Parliamentary Committee in regard to second chambers is absolutely sound. I am only sorry that they did not prescribe a second chamber for all provinces in India.

The other point that I should like to take up, Sir, is in regard to the method of election to the federal Assembly. I take it for granted that all parties are agreed that the federal Council could be properly elected by the method of indirect election from the provincial Councils. Now, with regard to the method of indirect election, I know that official opinion, political opinion and public sentiment in India are all against it. In face of this overwhelming authority and opinion I feel it will be the height of temerity on my part to say a word in favour of it. Nevertheless, may I venture to say in all humility, Sir, that logic, administrative convenience, and expediency force on us the conclusion that indirect election is the right method to adopt in regard to the election to the federal Assembly? One of the essential features of a democratic system of government is an electorate which will provide ample facilities for the candidate and member to come into touch with his constituency. Even as the constituencies are at present it must be a very difficult task for the member to come in contact with his constituents and as the constituencies grow in size it will be absurd to think that the members can ever come in contact with their constituents. We are therefore driven to the necessity, we must face the fact, that sooner or later we shall have to resort to some

method of indirect election. Whether it should be by a system of group election or by an existing Assembly or Council or by an Electoral College, these are all matters of detail. My point at the moment is that it can only be some form of indirect election. I venture to say, Sir, that if democracy had originated in a large country like India or China, the relation between adult suffrage and representation would have been adjusted by some method other than direct election. Well, we have to face then in India this fact, and we had better face it today rather than later, that some form of indirect election is the only possible method. It is clearly an administrative convenience to make use of an existing constituency, a comparatively small body like a provincial Assembly or a provincial Council, to serve as a constituency for election to the federal Assembly. And lastly, Sir, expediency dictates it. I know that, at present, voters enjoy the privilege of directly electing their representatives to the Assembly. But if we have to give up that system sooner or later, it would be much better to abandon it now, when the system has not taken such a deep root in the sentiments of the people than later when sentiment will have grown round this practice and invested it with a power which it would be very difficult to resist. For these reasons, Sir, I heartily support the method of indirect election recommended in the Joint Parliamentary Committee Report, a method to which I am sorry to see that almost everybody who has spoken has objected.

Now, Sir, I do not wish to traverse the other points that have been raised in the amendments, but I wish to make one or two general observations before I conclude. I quite admit that there are parts in the scheme to which serious objection could be taken and has been taken. But we have to take the scheme as a whole. We must also consider the circumstances under which the scheme has been put forward. It is the only scheme which has received the assent of the parties whose assent is essential, and it represents the largest measure of agreement among all the parties concerned. That does make the scheme worthy of consideration. There are also features in it which make it attractive from our point of view. For the first time in the history of India, by bringing together the two divergent elements of Indian polity, namely, the Indian States and British India, under a single constitutional framework, the scheme imparts a political and national unity to all India. An India constituted on this basis cannot fail to command enhanced prestige in the international world. Another attractive feature is this. It provides a democratic form of government which in my honest opinion is the best suited to the present conditions of India. And further, Sir, it gives ample opportunities to us to prosecute those national activities which are so essential for the economic and social progress of India and for the prosperity and contentment of her people. And further, Sir, the scheme has been sponsored by the best British statesmen, some of whom have given of their best to this country, and whose love for India is beyond dispute. They offer the scheme to us in the most friendly spirit. I think, Sir, it will be very unbecoming on the part of this Council if it does not accept with grace the proffered hand of fellowship and reciprocate the feelings of friendliness and goodwill with which the offer is made. I therefore commend to this Council the amendment moved by the Honourable Mr. Mohammad Yamin Khan.

THE HONOURABLE RAJA CHARANJIT SINGH (Punjab : Nominated Non-Official) : Sir, the Report of the Joint Committee on Indian Constitutional Reforms is one of the most important documents, if not the most important, which this Council has been called upon to take into consideration. It is the outcome of years of discussions and deliberations. Since this Report was circulated the Government of India Bill embodying the recommendations

[Raja Charanjit Singh.]

of the Committee has also been published. General opinion seems to be divided out here as well as in England. While some say that it goes too far, others are of opinion that it does not go far enough. But all are agreed that it introduces changes of a far-reaching character. It undoubtedly means the close of one era, and the beginning of another.

Now the question is what should we do about it, what should the country do about it? It is the privilege and duty of this House as the Senate of India to give a lead in this matter.

It is a great pity that in some respects the recommendations of the Joint Memorandum, and of the Government of India have not been accepted—for instance, direct elections to the federal Legislature. Still it is not too late to try and secure some changes before the Bill is passed by Parliament. I have great faith in the sense of justice and fairness of the British people. In any case it must not be forgotten that whatever is finally decided upon, it cannot be for any long period of time. The Joint Committee themselves say this in terms which are quite explicit. Whatever defects are found in its working can be remedied in the light of actual experience.

It must be a source of satisfaction that His Majesty's Secretary of State for India has remedied or rather explained what on the face of it appeared a great defect, and which India as a whole felt very deeply. I mean the omission of the words "dominion status". The inclusion of these words would have gone a long way to satisfy this country. However as the Right Honourable the Secretary of State has pointed out the previous Reforms Bill is not going to be repealed, its preamble stands and all the pledges given by Government in the past, are again declared irrevocable. I am one of those who sincerely believe in the British connection, and as such I am very glad this has been done.

As regards religious neutrality and landholders, my Honourable friend the Maharaja of Darbhanga has fully dealt with it and I only wish to say that I fully agree with him in what he has said.

I am entirely in favour of the second chambers. Wherever democratic countries have tried the single chamber system, almost always has the second chamber been restored. I only wish they had been modelled on the lines of the upper House which has grown up with and forms an integral part of the British constitution. If England with all her experience considers it useful, I see no reason why it should be otherwise in the case of India.

As regards federation, there is no doubt it is a great advance. This is the only way in which India can be one entity and not remain divided in separate air-tight compartments. The Indian States I am glad have accepted the principle underlying this scheme. British Indian politicians have all along been asking for it. Whatever differences there might be about detail they cannot be unsurmountable, and should not be allowed to stand in its way. Of course there cannot be, there must not be, any reservations which would cut at the very root of federation.

There appears to be a suspicion in the minds of some Honourable Members that the State bloc would be working against the interests of British India. But I do not think there is any justification for this assumption. The British Indian representatives will be about double the number. Moreover in a federal legislature, interests would be common and no one bloc would be able to sacrifice the interests of the other without injuring itself.

I am definitely of opinion, that the new reform scheme is a great advance, and it will do no good to reject the Motion before the House. As my Honourable friend Sir Phiroze Sethna said yesterday we ought to take what we can, and strive for more.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): I speak rather late in this debate because I have not much to say, but what little I have to say I wish to say. When this matter came before us first in the shape of the White Paper, Honourable Members may remember that I said that it was as mentioned in a parable how a vegetarian invited his vegetarian friends to dinner. Then he thought better of it and invited Bukareians, that is to say, meat-eaters to his dinner. But before he had thought of doing this he had ordered *khidgeree* for the vegetarians and so now he ordered that some meat should be put into the *khidgeree*; so that the *khidgeree* was neither *khidgeree* nor a *pulao*, and everybody rejected it. That is what has happened in this case. It began as an ordinary inquiry conducted occasionally by Government to see how things were going. Then Sir John Simon came out with some of his friends and people were examined by them. But there is one "but" about it and that "but" was that the witnesses before Sir John Simon and those that went ultimately to England were not elected representatives. They were selected persons, all of them. So the public as a whole was not represented in those inquiries, though it is probable that most of the people sent would have been sent in any case. However we are not sitting in judgment on the past but on what is proposed to be done in the future, and therefore I humbly submit a few words of what I call advice. That is perhaps presumptuous of me but I will do it.

Now, when you are going to a place which lies in the east, even on the railways, sometimes you have to begin the journey by going to the west and then take a turn and ultimately reach your destination. In politics also the same thing happens. You wish to reach a particular goal but occasionally you have got to make small deviations in different directions. Therefore one ought not to be very particular about setting a course as the crow flies, as they say. We are not crows and cannot fly direct to the goal we have in view. We have to go zig-zag. And in this particular piece of legislation which we are considering there are these zig-zags, and because of them some of my Honourable friends have been led to object to it very strongly. Others say that they approve of it very strongly. I myself think that strong feelings are out of place. When you want to reach a particular point from the spot where you are standing, you are apt to draw a "B" line to that point. Well, different persons will draw different lines. Some people may prefer one way and some another, and the best way is the way which appears best to your individual judgment. It does not mean the best to the judgment of others. But the ultimate question is, does it reach the desired point? If it does, it does not much matter how the goal is reached. That is a matter of detail which can be omitted altogether. A point however is that in going a particular way we should see whether others have gone that way before us.

In this case I have read all these papers, though they are rather heavy reading, and what has struck me is that no one has gone further back than the present generation or at any rate the present civilization. That I think is a serious defect. We should have taken into consideration what has gone before, and more especially we should have taken into consideration what has gone before in India itself, and no body took the trouble to find that out. I have tried to do so. You know that the monarchy in ancient India was an elective institution, though it afterwards became hereditary. And what did

[Mr. G. S. Khaparde.]

they do in those ancient times? Well you know that King Dasaratha when he became old convened a large assembly of all his people and told them he was not able to go on and so he wanted to put his son Rama on the throne. Well, I looked to find out how that assembly was convened and what its constitution was and found that it was very different to what obtains now. The King sent out word to all his kingdom that all the traders and merchants, the Kshattriyas or fighting men, the learned men, in fact the various professions into which men were divided, should each under their own guilds convene meetings whereat delegates representing the various classes and professions should be elected to be sent to Ajodhya, the capital city of his kingdom, for a further joint assembly before whom the King desired to place his proposition. In that way every class and profession elected their own delegates who assembled in Ajodhya, and to those delegates Rama was presented and King Dasaratha said, "I have served you for long; I have become old; you can now take my son in my place or anybody you like". Well, they selected Rama. That is of course a long story. And what happened when the Pandavas conquered in the battle of Kurukshetra? Delhi is a place mentioned in that connection. Even then the same procedure was followed.

THE HONOURABLE THE PRESIDENT: This is all very interesting but I would like the Honourable Member to speak to the amendments.

THE HONOURABLE MR. G. S. KHAPARDE: Well, I just wanted to point out that if this system had been adopted the persons examined before 4 P.M. Sir John Simon and in England would have been more representative than they were, not that they were unrepresentative altogether. Anyhow, after Sir John Simon brought out his report which was a very good report, it was suddenly changed and made into a different thing altogether, and the idea of a federation came into being. And now it is on the way to becoming a confederation. That was certainly changing the direction in which we had been going before and it has become a more difficult and troublesome business. However, the thing is that we know that Parliament is omnipotent and nobody in British India or in the British Commonwealth can resist it. Parliament have chosen a particular procedure; we have no jurisdiction over them. There are features in the Report which we do not like. I also do not like them. What is the procedure to be adopted to get over those things? When a big river is flowing on you, it is no good to fight against the stream. If you do, you get carried away. You meet a dead wall and you strike your head against the wall. You may break your head but you will never break the wall. This being the current of Parliament, flowing from that place, no matter what you do you will never get across it. The easier way, the political way, the right way, is to take a curve. Come in and take it as it comes. This is following the ordinary prudence of the traveller, it is not following the prudence of the philosopher or a politician or the soldier. Parliament having decreed, the Privy Council having approved, no matter what we say, nothing will prevail. The wiser course is to accept it as it stands. Things which are not to your satisfaction may be left for another day; whatever cannot be done today we shall attempt tomorrow. Do not be in a hurry. After all a nation lives much longer than an individual. We are all passing away, but we shall leave something behind on which others coming after us may stand. This is patronized by Parliament; it is patronized by the whole of the British Government. The wisest course is to give way, to let the water flow for some time. Water cannot be always impassable, nor can it be always too deep.

You wait your time and then cross it by bridge or by boats. It is no good fighting at this moment and at this point. You ought to wait for another place and another time and put a bridge of boats or build a *pukka* bridge. My advice to this Council in which I have been sitting for the last 18 years is that they ought to give in now with good grace, without making bones about it, without using hard words. This will pass, whether you will or not. Even if you unanimously reject it it will pass all the same. Therefore my advice is, "Allow this whole thing to pass as it is without taking the trouble to alter anything. If there is anything wrong, wait till the next opportunity and rectify it". At present the wisest course appears to be to sit quiet and let this flood of water pass away. That is my advice to my Council and I do not want to say much. So I put it briefly.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I shall be very brief at this late hour and omit several points that I intended to touch upon, in deference to your wishes. I should however like to refer to one upon which considerable stress has been laid, namely, the omission of the term "dominion status" from the Report of the Joint Select Committee. That omission has been fully and frankly explained, I believe satisfactorily, by Sir Samuel Hoare in the House of Commons the other day. And yesterday again the Attorney General stated during the course of discussion that "dominion status" was a term that was not capable of a precise definition, but that it grew stage by stage, from precedent to precedent, through the actual operation of conditions as they arose from time to time. It is understood that dominion status does not mean separation or independence from the British Empire. It is equivalent to being an integral part of the Commonwealth of the British Empire. If however the Act of 1919 is to be repealed, the Secretary of State further said its preamble will remain intact. Should the preamble be thus kept intact, it will be relegated to some hole or corner and a future Secretary of State who may go rummaging amongst old records would find himself at a loss, as what to make of it. It would appear to him as a head without the trunk; an isolated statement unconnected with any matter. Under these circumstances, I beg to suggest a way out of the difficulty. That is, that when the new Act is placed upon the statute and is published, the preamble of the Act of 1919 may be printed as a foreword on the frontispiece stating in a footnote the reasons why it happened to be thus printed. If that were done, the historian of the future and posterity will be able to see that the new Constitution Act was based upon the preamble of the Act of 1919. It is a suggestion which may or may not be practical. I place it before the House for what it may be worth.

Then, Sir, in the House of Commons on the 10th December, 1934 considerable discussion took place with regard to the way in which our public services have been administered by our ministers, especially in the departments of medicine and health. I do not want to quote it in full. It was stated that in several instances some of the ministers had not acted in the best interests of the country, and appointments had been made not upon merit but upon communal influence. Further that pressure from the Councils has resulted in the creation of ill-equipped medical schools that are turning out inefficient men who do great harm. It is to be hoped that under the new constitution we shall have men of integrity, of ability, without communal bias, who will place their services to the country before self and thus overcome the defects existing at present. And only recently the President of a provincial Council had some scathing reflections to make in this connection as well.

[Khan Bahadur Dr. Sir Nasarvanji Choksy.]

I do not want to enter into constitutional questions, already discussed threadbare. I believe, however, that injustice has been done to Indians in connection with the Indian Medical Service in the Joint Committee's Report. It is stated therein that the Secretary of State does not recruit for the civil branch. That is but a half truth, inasmuch as this service consists of men drafted from those selected by the Secretary of State after a short spell of military duty. In the new Bill itself however it is stated that it will be recruited by the Secretary of State. When the Lee Commission fixed the ratio of two Europeans to one Indian officer, it was on the ground of providing treatment for the families of European officers, and secondly, as a military reserve. The number of European officers is gradually declining as there were only 2,193 on 1st January, 1933 against 1,227 Indians in the central services. I therefore do not see why the same ratio should be adhered to now after fourteen years. Some change should now be made having regard to existing circumstances. As regards the war reserve, I am convinced, Sir, neither the War Office nor the Secretary of State have learnt from past experience. The experience of the then war reserve was very bitter in the Great War. It was the Indians who volunteered from India who saved the situation and I should say that the proper war reserve should be from the Army in India Reserve of Officers.

In conclusion, Sir, I am convinced that in spite of its inherent defects, in spite of numerous disadvantages attached to it and in spite of all checks and counter-checks the Report is a great advance upon the present constitution.

I agree with Sir Tej Bahadur Sapru when he says that the new Act based upon the Report is not unworkable and that it is not unlikely that it will be worked by those who are at present loudest in their condemnation of it.

Well, Sir, all that I can say, after all the vehement discussion, is that the time is not far distant when those who are now bitterly opposing the Report will say of it, "With all thy faults, I love thee still"!

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians): Sir, at a recent meeting of the Indian Christians in Madras, both Catholic and Protestant, the Joint Committee Report as well as the Bill were considered and they accepted the proposals in both and suggested a few modifications. Sir, in the first place it was felt that a second chamber in Madras was unnecessary. Second chambers are necessary where the legislature is a sovereign legislature, that is to say, a legislature which could pass legislation which might affect injuriously a large number of people. But where the Governor's powers are so extensive as to prevent or disallow or veto objectionable legislation, it is not necessary that there should be a second chamber whose sole purpose is delay or revision. Sir, the question is not merely one of delay. The question is one of finance. Who is to pay the piper? That is one point. The second point that they urged was (I may mention that I was not a member) the second point was that Indian Christians had not a sufficient representation in the Councils. Sir, that has been the cry for a long time. Considering the importance of the community, their education, their enlightenment and their mode of life and other things, they have not been given what is their due. Sir, without vanity we may say that we Indian Christians try to interpret the west to the east and to make the west understand the east. Sir, that being their position it is rather unfortunate that

they should be left in the cold. But, Sir, with all that, they are prepared to work the reforms and they ask for more, like Oliver Twist. So far as the reforms are concerned, I am sure that they are certainly an advance over what is now obtaining. What was the position before the Montagu-Chelmsford Reforms? The Governor was the President of the Council and though we had the right of interpellation very little was done, but after the reforms of 1919-20 came into force the Councils were enlarged and we had more powers and ministers were appointed who were and are in charge of the transferred subjects. Now, Sir, under the present reforms—I am speaking of provincial autonomy—ministers are to be in charge of subjects including law and order, and this is a very great advance and we should not complain if the Governor is given a few powers, exercisable no doubt in cases of emergency or where he thinks it is necessary he should exercise them. Sir, there is a Latin proverb, "Hasten slowly". It is not an easy thing to frame a constitution for a large sub-continent like India with all our differences of caste, colour, creed and other things. Therefore, the Joint Parliamentary Committee's Report, in my opinion, if I may express my opinion in all humility, is an admirable document, a document showing the greatest insight into the condition of things here and at the same time looking at everything from a statesman's point of view. No doubt, there are a few things with which we quarrel, but then nothing human is perfect. One of these things is the second chamber in Madras, which ought to be done away with, as well as in other provinces which have not asked for it. Of course, this has evidently been done to please some people who believe in second chambers and believe that they are going to save the situation. If the second chamber also takes the same view as the lower chamber, what shall we do? We must depend on the Governor.

Then, Sir, with regard to indirect election, I am not going to repeat all the arguments against it. In the first place, it is most unsatisfactory that persons should be made to represent other persons with whom they never come in contact. That is a thing which should be avoided. But of course it may be expedient for the time being to have this kind of indirect election to the central Legislature, but ultimately it will have to go.

With regard to a number of other things, a good deal has been said and I am not going to take up the time of the House by repeating them. One thing I must submit with all the emphasis at my command. Sir, the people are overtaxed. I am speaking especially with regard to Madras. It is well known that the land tax is pressing very heavily upon Madras. We are paying nearly Rs. 10 crores as land tax whereas other provinces—Bengal, for instance, one of the richest provinces in India, only pays Rs. 3 crores. Well, I do not think our burden should be increased. Madras is paying a very heavy tax and probably, Sir, you might have heard or seen in the papers that owing to the present state of affairs things are looking very bad indeed. Agriculture is suffering a good deal. What I therefore submit is that the new reforms, however desirable they may be, should not impose heavy additional taxation. The remedy lies in cutting down expenditure. So many people, want so many different provinces. Sind wants to be a separate province. Orissa wants to be a separate province. My suggestion is, to pay the services less, as they do in Ceylon and other places, like Mysore and Travancore, for instance. If Orissa wants to be a separate province, let it pay for it and not let the central Government pay for a luxury it wants to have. What I submit is that for the sake of these people the central Government ought not to tax provinces which are heavily taxed. It is well known that Andhra wants to be a separate province, Kerala wants a separate province and somebody may want a separate Kanarese province. Well, by all means let them

[Sir David Devadoss.]

have them, but pay the Governor Rs. 3,000, the ministers Rs. 2,000 each and the judges Rs. 1,000 each. Do not let them compare themselves with provinces like Madras and Bengal.

Then, there is one other thing, Sir, which I mentioned some time ago and which I consider to be very important. Either in the Act itself or in the rules which are going to be framed under the Act, there must be a clear statement that no community should have more than a certain percentage of appointments in every cadre. Otherwise, Sir, no ministry will be stable. Everybody will say, "I want an appointment for my son or my nephew", and no ministry will ever be stable because it has to depend on the goodwill of the constituency. Whereas if a statutory provision is made that no community should have more than a certain percentage of appointments in every cadre then if the cadre is full nobody will come and say, "Give me an appointment". I submit, Sir, as I mentioned three or four years ago when we were considering the Simon Report, that this is very essential. Whatever may be the community, it does not matter what percentage you give. You may make it 90 per cent. But so long as you do not limit the number in every cadre no ministry will be stable for any length of time. Therefore, I feel very strongly on this point and if our Government could make a proper representation about it to the Home authorities and get the thing set down in some form or other, not necessarily in the Act but in the rules which are going to be framed under the Act, I think it would be doing much good to the country.

Then with regard to a number of other subjects, Sir, it would be repeating the arguments of the Honourable Members if I mention them. I will only say one word about federation. A good deal has been said about it. There are always two sides to a question. But, Sir, it will be a glorious day if the whole of India could work together as one body or as one government. Students of history know the difficulties with which Washington and his contemporaries had to contend in order to bring about a federation of the States then. There were only about 13 States, and yet what great difficulty they had. Though the language was the same, religion was the same, the people belonged to the same nation, yet, with all that, it was difficult to bring about a federation of the 13 States. How do we stand? We are divided in so many ways. There are so many languages, so many religions, and even so many different not merely nationalities but races inhabiting this country. The Dravidians belong to a more ancient stock than the Aryans. Probably they came long, long before the Aryans and settled down in South India, five or six thousand years ago. Our history dates back to three or four millenniums before the Christian era. I am not going to take up the time of the Council by going into all that. What I say is, that with all this diversity it is not possible to have one electoral roll. So, the Communal Award must stand. Why? It is on account of the present state of things. We cannot quarrel over that. Let us grow out of it if we can. By working the reforms, let us show that we will sink all our differences. Then we can be one. The Communal Award simply allows people to come into the Councils. It does not divide people from people. Otherwise, there will be no chance for minorities. If there is only one electoral roll, the majority will always elect their own people, and the other people will be unrepresented. This Award is only to help the different people to come into the Council. After coming in they will not work as Muhammadans or Hindus or Christians or Parsees. They will divide on questions of tariff or taxation or things like that. I do not think Muhammadans are going to be taxed one way, the Hindus another way or the Parsees in a third way or the Europeans in a fourth way. I do not

think that such questions would ever be decided on questions of religion or race or nationality. Therefore, this Communal Award is only an expediency for the time being, and I hope we shall grow out of it. Let us not quarrel about it. Let us accept the proposed reforms as they are. They are a great advance upon the present state of things. We shall be able to do much if we only do it in the proper way. I think we may accept them, no doubt with a few things altered. If you can get them altered, well and good; if you cannot alter them, let us work them as best we can.

With these remarks, Sir, I have much pleasure in supporting the acceptance of the Report.

THE HONOURABLE THE PRESIDENT: The Honourable Rai Bahadur Lala Mathura Prasad Mehrotra.

I must point out that I propose to adjourn the House at 4-45 P.M. this evening as I have to preside at a meeting of the Empire Parliamentary Association. I may also mention to the Honourable Member that five members of his Party have already spoken at considerable length and threshed out the whole question. I will allow the Honourable Member to speak, but I will request him to finish his arguments by 4-45 P.M. this evening, so that tomorrow morning I may call upon the Leader of the House to wind up the debate. I may also state that we have got only tomorrow before us, and I propose strictly to enforce the time limit rule tomorrow except in the case of Mr. Chari. Will you now proceed?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, before I proceed to the merits or demerits of the question before us, I would like to explain and clear up the position of my Party with regard to the remarks made by my Honourable friend Mr. Yamin Khan. He said on the floor of the House that it was on account of the request from this Party that he delayed his speech to a late hour this afternoon. Sir, the Party never requested him to delay his speech. What was said to him yesterday was that all amendments will be moved and the Leader of the Opposition will also have a right to move his amendment and the speeches will be made afterwards.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: May I ask if the Honourable Member was present in the room of the President when this arrangement was made?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I was not present in the room, but the Leader of the Party came—

THE HONOURABLE THE PRESIDENT: We need not have a discussion on this question. I have already informed the Council that the arrangement was arrived at in my presence and with my consent.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I leave it at that, Sir. What I wanted to say was that it was not on account of that arrangement. I made a request to the Honourable Member this morning and told him that the Party has asked me to speak after him, and he told me expressly that he would not speak till the Motion was going to be put, by which he desired that no speakers from the Opposition might come after him. That is what he told me.

THE HONOURABLE THE PRESIDENT: But half a dozen speakers from the Opposition have already spoken afterwards.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: With due respect to you, Sir, they all had their say before my friend spoke, and I am the last man perhaps to speak after him.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Does my Honourable friend know that Mr. Hossain Imam specifically told me this morning that he wanted to speak before I did?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: However, I will leave that point.

Sir, I support the official amendment of the Opposition Party moved by my Honourable friend Rai Bahadur Lala Ram Saran Das. The other amendments I regard as half-hearted and halting. Some of them, especially the amendment of my Honourable friend Mr. Yamin Khan, is most unsatisfactory and was also criticized by my Honourable friend Raja Ghazanfar Ali Khan. We would have thought of supporting parts 2 and 3 of the amendment of the Honourable Raja Ghazanfar Ali Khan had he brought his amendment on the text of the amendment of Mr. Jinnah, but as there is some difference in the wording, I regret I am not prepared even to vote for that part after the amendment of our Party has been disposed of. Sir, I quite realize that in one or two matters, there is a certain improvement in the recommendations of the Joint Parliamentary Committee. But taking the scheme as a whole, we find that it is not only unsatisfactory but retrograde in many respects. I may remind the House of the words of John Stuart Mill who said that

"When the object is to raise the permanent condition of the people, small means do not merely produce small effects; they produce no effect at all".

When the country expects the fulfilment of the pledges given by the British Government so many times, for dominion status, we find that after so much labour spent by the Simon Commission and so many Round Table Conferences and Joint Parliamentary Committees that nothing has been done to satisfy the aspirations of the country. Hence, we cannot be satisfied with this Report. The scheme as a whole is so unsatisfactory that the words of Dr. Besant hold good today. She said:

"The scheme is unworthy of England to offer and of India to accept".

With every stage through which it has passed since then it has become worse and worse. The White Paper was certainly better than the Joint Parliamentary Committee Report, and at the time the White Paper was discussed, though we expressed our dissatisfaction, we were of opinion that the Government was committed and would support tooth and nail the scheme framed in the White Paper and would try to make improvements in the light of the recommendations made by the Indian members of the Joint Parliamentary Committee. But being pressed hard by the Die-hards in England, the Government has made changes to please them against the wishes of Indians and has made a black scheme still blacker. Sir, the underlying principle of the whole scheme is that no ultimate goal is fixed for India and there is nothing but implicit distrust of Indians, the idea of infallibility in Englishmen and vesting of absolute control of Indian affairs in the hands of the Secretary of State for India. That in a nutshell is the whole scheme laid down in the Joint Parliamentary Committee's Report. Dominion status, about which

there had been so much talk, was not even mentioned, in spite of questions being repeatedly asked in the House of Commons about the pledge given in this behalf. On the other hand several speakers in the debate expressed the opinion that dominion status for India is of a different kind from that found in the Statute of Westminster. So that in spite of the pledges it is clear the Government feels shy of fulfilling them and there is something which prevents them from putting the words "dominion status" in the preamble of this Act or to fix stages through which the constitution of India will evolve itself to that status.

Sir, some speakers have expressed the doubt that if we do not accept this scheme the result will be that reforms will be delayed. I humbly submit that it is better to delay reforms for a few years than to accept the scheme as it is, because we shall be spending less during those years and England meanwhile will not be able to say to other foreign countries that they have given self-government to the country on the one hand, while on the other hand India will not rest quiet and will go on agitating for reforms. Therefore my friends who say that whatever has been given in this Report should be accepted are in the wrong. They should not accept piecemeal transfer of power. It should be substantial and not a shadow of self-government, self-government in reality.

Sir, some of the speakers here have said that this scheme represents an improvement on the existing position. Though the time is very short I will try to show that it is not an improvement; it is altogether a retrograde step as compared with the present position. So far as central responsibility is concerned, we find that the Governor General has been given unlimited powers and is fully made an autocrat. Eighty-one per cent. of the revenues of the Government of India will be non-votable. Out of the remaining 19 per cent. the ministers will have to carry on the administration and improve the nation-building departments. What will they be able to do may be judged from this. At present there are three Indian Members in the Executive Council and as far as I know they can discuss all matters in the Council. But under the proposed scheme the Governor General will have his own financial adviser, an advocate general and one other adviser, who may be selected from out of the ministers or not, and he will carry on the administration of the reserved departments. The ministers may or may not be consulted. That means virtually the establishment of dyarchy at the centre, which has been so much discredited in the provinces. The Railway Board will have seven members, of whom three will be appointed by the Governor General, with the chairman as well as the executive officer and financial adviser to the Board. The ministers have no say in any of these appointments. The Legislature will have no power to make any change in the constitution of the Railway Board or in railway administration without the sanction and recommendation of the Governor General. Therefore any question of improvement of railways in India will be entirely out of the control of the ministers and will be dealt with by the Governor General. So far as the army and defence is concerned, that will be entirely in the hands of the Governor General. There is absolutely no likelihood of Indianization of the army being speeded up through the legislature. It will remain always at the sweet will of the Governor General. Then as regards currency and exchange, that again is a question which cannot be dealt with by the ministers or the legislature except with the previous sanction or recommendation of the Governor General. Then again, Sir, so far as commerce is concerned, the Governor General will have the right to say whether any Act is a discriminating Act or not and this point was thoroughly discussed by my Honourable friend Sir Phiroze Sethna. I only wanted to touch on it. Thus we find that all important things in the centre will be beyond

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

the purview of the popular ministers. They will not be under the control of the legislature. This is the form of central Government that we are going to have.

Sir, we all know that there will be indirect election to the central Legislature; and that has been criticized by many Members. It was also opposed by men like Lord Reading, Lord Lothian and Mr. Isaac Foot in the debates in England and I was glad to hear that the Government of India was also against this method of election. So far as the services are concerned, the ministers will have no control. They will be appointed by the Secretary of State and controlled by him. They have gone so far as to make Indian Civil Service men eligible for appointments as Chief Justices. They have also said that the Medical Council recently established here will have no right to control the medical practitioners of foreign countries and they can always approach the Privy Council or the Governor General if they find the Medical Council is in any way against them. So, from all points of view we find that reservations and safeguards have been made against India and the position of the legislature is illusory and shadowy. May I ask my Honourable friend, is it self-government or dictatorship by an oligarchy? I would never call it self-government.

Now, Sir, from the central Government I will come to the provinces about which my friends have said that so much improvement has been made. What do we find there? It is said there is provincial autonomy, but the Governor in the provinces will have almost as much powers as the Governor General in the centre. Power to make Ordinances for three months has been given to the Governors. This was never given to the Governor under the present constitution. May I ask my Honourable friends whether it is a step forward or a step backward? Governors can stop legislation in the Councils at any time they like if they consider it undesirable. I do not think it is a power given under the present constitution. The Governor there also has his financial adviser, who will be absolutely separate from the ministers. The Governor will also have the right to appoint an advocate general, a similar right is given to the Governor General. May I ask my friends whether it is a step forward or a step backward? The dyarchy which my Honourable friend Mr. Yamin Khan hated so much is there.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I did not hate it so much as the Liberals did!

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I am glad he has changed his view! So it will be found in the provinces as well as in the central Government with full vengeance.

THE HONOURABLE THE PRESIDENT: How long more are you likely to take?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: If you permit me, half an hour more, Sir.

THE HONOURABLE THE PRESIDENT: Order, order. The Council will now adjourn.

The Council then adjourned till Eleven of the Clock on Thursday, the 14th February, 1935.

COUNCIL OF STATE.

Thursday, 14th February, 1935.

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

MOTION *RE* REPORT OF THE JOINT COMMITTEE ON INDIAN CONSTITUTIONAL REFORM—*concl'd.*

THE HONOURABLE THE PRESIDENT: Honourable Members, I am anxious that this debate should be concluded today and I therefore wish to enforce the time limit strictly. I will allow the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra to resume the debate but he will kindly conclude his remarks within 15 minutes.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, yesterday I dealt with responsibility in the centre and showed to the House it was illusory and was not responsibility but autocracy. I will deal today with responsibility in the provinces. By the amendments of my Honourable friends, Mr. Mohammad Yamin Khan and Raja Ghazanfar Ali Khan we find, Sir, that they say there is a distinct advance on the present constitution so far as the provinces are concerned. Sir, I admit that there is some advance in respect of two matters—firstly, that the electorate has been widened, and secondly, that the official bloc has been eliminated from the provincial Legislatures. That is all, as far as I could find out, from that volume. But we have to consider the scheme as a whole. And if we consider the scheme as a whole, we find that there are not only many features which go directly against the principle of responsibility but there are certain features which make the provincial autonomy now proposed worse than the present position. Sir, so far as the powers of the Governor are concerned, they are almost the same in the provinces as has been given to the Governor General. That is, the Executive Council has been abolished in the provinces but the Governor will have one financial adviser, one advocate general, and another adviser, which means that the Executive Council will remain in another form. Then, Sir, the Governor at present has no power of issuing Ordinances. Under the present constitution the Governor will have the power of issuing Ordinances for three months and stopping any legislation which he thinks undesirable. May I ask my Honourable friends whether this is an advance or a retrograde step? Then, Sir, as regards the police, in spite of the fact that it is said that law and order will be a transferred subject, the minister will have no responsibility and the Inspector General of Police will be the sole authority who will be responsible to the Governor. May I ask my friends, is this an advance or a retrograde step? It was only the other day that His Excellency the Viceroy, at a conference of Inspectors General of Police, said that they were quite safe. He said:

"I am able with the authority of the Secretary of State to give you an assurance that His Majesty's Government cordially accept all the recommendations which the Committee have made in regard to these vital points which I have mentioned and are determined to secure all provision necessary to implement them in the new constitution".

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

Further on, Sir, he said :

" If you are satisfied, as I hope you will be, that the recommendations of the Committee have strengthened the position of the police and that all that is possible has been done to protect the force from political interference, I trust you will give currency to your views and thereby establish among your officers and men a feeling of confidence ".

That is what His Excellency the Viceroy said in addressing the Inspectors General the other day. So, Sir, our so-called responsible ministers, while being in charge of law and order, will have nothing to do with the police, with the Criminal Investigation Department, even on certain matters of information the Governor will not trust the ministers and disclose the information. I think that this responsibility is a sham. Sir, not only will our responsible ministers have no right of amending the Police Act in the legislature, they will have no right of amending the Regulations issued under the Police Act. This is the constitution under which law and order is going to be transferred to a responsible minister. Sir, the ministers' salaries at present are votable and they are always at the mercy of the Council, in spite of the fact that they are helped by the official bloc no doubt, but under the present constitution our responsible ministers' salaries will be non-votable and the Council will not be able to touch their salaries. So far as the all-India services are concerned, the minister will be not only helpless but though they will be directly under the Secretary of State for India, he will have no right of even transfer of those services without the previous sanction of the Governor. May I know, Sir, if any responsible minister can work properly with his subordinates when the subordinates know that the minister cannot touch them? They will disregard the views of the minister and pay more attention to the Secretary of State.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : What would happen if the minister had this power ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : It would happen, Sir, that they would have perfect regard for the ministers under whom they were working, they would be afraid of to be transferred or removed if the minister was displeased and they would carry out *in toto* the wishes of the minister.

THE HONOURABLE NAWAB KHWAJA HABIBULLAH OF DACCA (Bengal : Nominated Non-Official) : What happens in the English Civil Services in England ? Can the Members change the officers ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I do not know. My Honourable friend is probably better informed about the constitution in England but, as far as I know, England is one of the most democratic of countries and there cannot be such an unconceivable thing that the minister will have no power to transfer or dismiss the services in the constitution. Sir, this is the much talked of provincial autonomy under the present constitution for a few years more, since we will not then have to pay much, rather than to have this kind of provincial autonomy. Sir, I am reminded here of the words of John Stuart Mill when he said in his book on *Representative Government* that the Government of the people by the people had a meaning and reality, but government by one people of another had no

meaning and reality except that the governing people might keep them as a human cattle farm to serve their own purpose.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : That is an exploded theory at the present moment.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Now I come to the Communal Award. The Communal Award has been the apple of discord in this country. There is acute difference of opinion between the Hindus and Muhammadans, especially from the Punjab and Bengal, and it is on account of this that we have said in our amendment that it is expedient not to say anything on the Communal Award. Sir, as long as communal representation lasts, there can be no responsible government in this country. I quite admit that there may be reservation of seats, but the electorate should be joint. The members should fight elections on political lines and not on communal lines. That is the only solution. The other day, when the Unity Conference had practically come to an agreement at Allahabad, the Government made an announcement regarding the separation of Sind. Government saw that the Hindus had agreed to make Sind a separate province and knew that it was likely that the Muhammadans of the Punjab and Bengal might have some consideration for the Hindus on account of this acceptance of theirs, they at once announced that Sind will become a separate province. The Muhammadans were making representations after representations, but Government was quite silent. It was their game to announce this at the time to break the Unity Conference, and so it broke. On the Communal Award, I request my friends, Hindus and Muhammadans, to come to an agreement. If there are joint electorates, I do not mind reservation of seats.

Sir, as the time at my disposal is very short, before closing my speech—

THE HONOURABLE THE PRESIDENT : Only two minutes more.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I will make an appeal to the Honourable the Leader of the House so far as this Motion is concerned. When discussion was held on the White Paper, the Honourable the Leader of the House agreed to send the proceedings to the Secretary of State without calling any division. This Council is not meant for such divisions. What is meant is that the views of the elected Members should be communicated. The Government's views are there, and they will not require any further expression of views, nor, so far as I understand from the debate in the other House has the Secretary of State called on the Government to ask the views of political parties in India and send them to England. If that is so, why is the Honourable the Leader of the House anxious for a division ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House) : I am not anxious.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : All nominated non-official Members have expressed their views as desired by their masters. The nominated bloc is going to be eliminated under the new constitution. If they want to be returned as members of the legislatures hereafter, they will have to face the electorate, and canvass for their votes. So, it is but right that they must give expression to the correct views here in spite of the fact that they are nominated.

THE HONOURABLE THE PRESIDENT: Will you please close your remarks?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: One minute, Sir. The worst thing that can happen is they will be asked to resign their seats. If they are asked to do so, I am sure they will become popular in the hearts of their countrymen and they will have better chances of being returned to the legislature. Therefore, I will appeal to them also that on a critical occasion like this, they should not commit political suicide by voting with the Government but should give expression to the views of the country at large.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras: Non-Muhammadian): Mr. President, I thank you, Sir, for kindly permitting me to have my say on this occasion.

In the course of the debate it was shown fairly clearly that the seed of growth for a healthy development of a responsible government under the new constitution proposed by the Joint Parliamentary Committee Report could not be found anywhere in it. Although the present system of government has far outgrown its usefulness in the country, due to its gradual irresponsible nature to real public opinion and interests, yet there will not be any harm if we continue for some time more until we get a really responsible constitution after suitable modifications in the proposed new scheme. As well observed in the Report, and as we also know, the country has come to feel a correct national spirit from the teachings of democratic principles by the Government themselves. It is conceded also that proper opportunities should be given to allow the national spirit to run its natural and legitimate course along the lines of administration in the country.

Permit me, Sir, to say what a layman like myself thinks of the present and coming administrative methods, as he understands them from his day-to-day experience of the work of the administration. Well, Sir, what is the position now both in the centre and in the local Governments of the day? I do not think I should go into an elaborate description of things at the present moment. It is enough if I say that the present administration as it is understood now by ordinary men of commonsense is nothing more than a movement of a large, or say, the largest machinery with the rapidly diminishing touch of humanity, in proportion to the increasing number of spokes or wheels added to it, by way of additions and separations of departments and sections with its ever-increasing expenditure. The country, whatever its conditions, should find money to meet the cost of running this soulless machinery. The new constitution, which has been well examined by all the leaders and experienced politicians of the country, is nothing more than an addition at one stroke of a new and bewildering sort of constitution, the type of which could nowhere be found in any civilized country of the world. We all know, Sir, that it is a recognized fact that our cost of administration at present, when compared to other countries, is not in proportion to the capacity of the country to bear. More especially, now the present state of our country has come to the position that it could not possibly bear even the present burden of taxation. Yet every year the tax is increased in one way or other, directly or otherwise, not for any additional benefit of a real and lasting nature, but simply to meet the increasing expenditure of administration. While such is our position, if this new scheme of reformed constitution is to be forced upon the country in spite of almost the unanimous protest of the country, with its innumerable safeguards, and

much lesser control over important subjects like the army, railway, finance, etc., I ask, Sir, how is the country going to find the additional crores of money—how and when it is going to find its limit?

We are told, Sir, by my friend the Honourable Mr. Miller that given goodwill, trust and co-operation, which are the main things necessary, everything will come out right and the reforms can be worked well. Well, Sir, let me examine how far Government have shown in their administrative acts the highly valued attributes of co-operation, goodwill and trust to the leaders and politicians of the country. Permit me, Sir, to quote a few instances. The country has not forgotten the Ottawa Pact and its results. What would have been its fate if it had come before the present Assembly. The status and hope given to the country by the Indo-Japanese Agreement is now marred by the hasty and one-sided conclusion of the recent Indo-British Trade Agreement by Government and the verdict of the Assembly decision has made the public understand well the ways of Government. Another point I submit, Sir. We all know the changed programme of public service which Mahatma Gandhi has undertaken from the time of his release from prison and Government is also well aware of this very movement. Yet it is a wonder that Government should suspect his village reconstruction work and issue confidential circulars all round the country. If even much-needed charitable work is thwarted like this, if these are the ways in which the mind of the Government has begun to work, I ask, is there right and reason to expect the people to show trust and co-operation with what Government does? Let us consider for a moment that in all matters requiring public co-operation barring if necessary a few leaders of strong extremist views, I ask, is there now or was there ever any difficulty for Government to get such co-operation and goodwill from any class or party of people, or leaders or politicians in the country? Why create and show unnecessary suspicion and distrust of the leaders of the country, among whom will also be counted stalwart supporters of Government in and out of season. I submit, Sir, it will be a sad mistake if Government come to the conclusion that when the Bill is passed the people will be found to work and co-operation and goodwill will spontaneously grow in the country.

In justification of the several objectionable features and safeguards in the Bill, comparison was made with countries like Australia, Canada, New Zealand, etc. I ask, will the Government be prepared to show that in all other respects concerning national advancement in those countries that our Government are adopting the same methods and policies as they are? I know our Government will be ready to answer that conditions in our country are not similar, due to many causes. If we begin to enquire what are those causes it is not difficult to understand that those causes are our own creations, well applauded, backed up, made more and more complicated by our Government themselves in their ingenious ways of policy, separate elections, communal awards, special responsibilities, and so on, thanks to the Congress propaganda and their emergence from their sufferings and their coming out with the full support of the masses of the country in their sincerity of their service. If Government really have any regard for the verdict of the country without counting mere prestige by their ingenious and ignoble ways and policies, as the recent elections to the other House have shown, I submit to this Honourable House that this is a splendid opportunity for Government to make amends for all past sins of commission and omission, to do the right thing, the benevolent thing by the country. This can be done by taking stock of all the views expressed by Members in both Houses and by other distinguished men in the country, and press upon His Majesty's Government to bring about the necessary alterations in the Bill. If it is passed without important alterations and fewer safeguards,

[Mr. V. C. Vellingiri Gounder.]

it will mean only one thing. The 150 years of British rule has only shown the fact that our country and its administrators and politicians are not fit to handle and to be trusted with branches of administration like the railways, finance, police, army and similar important subjects, upon which the welfare of millions depend and on which our revenues are spent. What more humiliating and insulting position can there be to our country? So may I appeal to the Government of Lord Willingdon that he will be pleased to press very strongly upon His Majesty's Government to show their magnanimity and accede to the requests of the unanimous voice of the country to recast the Bill in the light of the strong views expressed.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON (Punjab : Nominated Non-Official) : Sir, yesterday my Honourable friend Raja Ghazanfar Ali Khan questioned whether the House had been asked to give expression to its opinion, and it was also said—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, on a point of personal explanation, I never said that the House—

THE HONOURABLE THE PRESIDENT : Order, order. Let the Honourable Member finish his sentence.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON : It was also questioned whether this was an appropriate occasion for expressing an opinion. I submit, Sir, that the Bill has been based on the Joint Parliamentary Committee's Report and it is being discussed in Parliament now. If this is not a suitable time to give expression to the opinion of the House, there could be no better occasion. If the Bill is passed into an Act then I do not see what good can be effected by expressing our opinions.

Sir, I certainly think that the proposed constitution is an improvement on the existing one, and it is a very great improvement in the case of the provinces. A good deal has been said against the safeguards, but I think the safeguards are meant for exceptional occasions and unforeseen situations. No Governor would even dream of using those powers as a daily routine.

Then, Sir, about the ministers it was said that the future ministers will be put in such a position that they will not be able to discharge their responsibilities efficiently. I see no reason for that apprehension. The ministers in future will in my opinion be more powerful. The official bloc is going to be done away with in the provincial Councils. Law and order is being put in charge of a minister and they will have the support of the elected members, and if they are competent and reasonable men I do not think their view or policy will be overruled or that they could be overawed by anybody.

Then I will just say a few words about the Communal Award. Yesterday I was very pleased to notice that the Honourable the Leader of the Opposition had put down in his amendment that no opinion should be expressed on the Communal Award. But I was rather unpleasantly surprised that a large number of his own Party gave expression to their opinion and criticized the Award. My Honourable friend Sardar Buta Singh from the Punjab also condemned the Award. I beg to remind my Honourable friend that his community has been given 40 or 50 per cent. more seats than it is entitled to on the basis of population. If the Honourable Member thinks

that the Award should not have been so liberal to his community and if he can induce his community to give up the extra number of seats, the other communities in the Punjab will take them most thankfully!

Then, Sir, about this Communal Award no better substitute acceptable to all the communities has been put forward and if at any time we can put forward such a scheme, there is not the least doubt that the Government will be prepared to alter it accordingly. As practical politics, Sir, I suggest to the House that we should accept the constitution which is being given to us and try to work it successfully and ask for more.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan) : Mr. President, the Joint Parliamentary Committee Report has been so thoroughly discussed in the press and on the platform that there is very little left that can be said either in favour or against some of its proposals. If I take part in this discussion, it is not because I hope to contribute any new points but only because I feel that this House owes a duty to the country in trying to present the recommendations in their proper perspective. This House is known for its sober and critical judgment of public questions and measures of Government. I trust that the Honourable Members will not rush off at a tangent because they find that outside this House opinion is expressed in any particular manner. I am sure the Honourable Members of this House will agree with me when I say that whatever may be stated about the merits of any particular proposal, the thoroughness with which the problems have been examined and the carefulness with which conclusions have been arrived at can hardly be denied. The Committee has been accused by many as betraying a deep distrust of Indian opinion and aspirations. I should like to ask whether, if such is the case, the politicians in this country have not given room to that distrust among a section of the British public and whether their activities, speeches and their threats have always been calculated to engender goodwill and to create a feeling of trust. It was only the other day that in another place a Resolution was carried rejecting the Indo-British Trade Agreement in spite of the clear and lucid speech of the Honourable the Commerce Member that the Agreement was only intended to clarify the existing position and to put in formal language the practice that has grown up during the last ten years relating to the tariff policy of the Government. This Resolution has had a reaction in England and has aroused more suspicion than ever among the commercial communities in that country.

Nor can I possibly understand the frame of mind of those individuals who advise the country to reject the proposals altogether and state that they will prefer to continue under the existing constitution. That is a counsel of despair, which I trust this House which contains among its members men of large experience in public affairs will not endorse. Mr. President, I feel that while on the one hand we cannot subscribe to the destructive criticisms that have been levelled against the Report, we are bound at the same time to point out in what directions the Report can be improved upon, so as to secure greater goodwill for the working of the new constitution in the country. It is an axiomatic truth that no constitution propounded for a country of the size of India with conflicting interests can be satisfactory to all concerned. In fact I would go further and state that if to-morrow the politicians of Great Britain were to sit down and draft a new constitution for that country, it would be impeached from the extreme right and from the extreme left as unsatisfactory, dangerous or halting in its proposals.

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As realists we must face the practical situation that we find in this country. The fact that representatives of all communities have not been able to come to a settlement on questions like franchise or representation either in this country where for a long number of years attempts have been made in this direction or in England where these representatives gathered together to discuss such issues cannot be ignored. This fact more than anything else has led to certain necessary provisions being embodied in the Parliamentary Committee's proposals, provisions which are now attacked as detracting from either provincial autonomy or responsible government in the centre.

A careful study of the proposals of the Committee will enable one to realize that many of the safeguards and reservations propounded therein were agreed to by one section or other of Indian public opinion represented at the Round Table Conference. I would go further and state that in many cases they were demanded by some section or other of the representatives. It is in the light of these facts that one must necessarily examine these proposals. I do not suggest that every one of the recommendations of the Committee have had the approval of some section of Indian opinion; nor do I venture to state that if a section, however small it may be, puts forward a view, that can be made a justification for the safeguard based on that view being included in the Report. Examining the proposals from these considerations, I have come to the conclusion that some at least of the recommendations of the Committee require modification.

There is the question of "indirect election" to the federal Legislature, the lower House at the centre. I must confess that an overwhelming bulk of Indian opinion both at the Round Table Conference and in the country is against such indirect election. A responsible Committee appointed by the British Government presided over by Lord Lothian and composed as it was by seven members of the British Parliament and Indian representatives came to the conclusion that such indirect elections to the lower House are unsuited; they have given elaborate reasons for their conclusions and when it is remembered that many of the British members were in favour of direct elections, the value of these conclusions can be appreciated at their worth. I have read carefully the counter-arguments used by the Joint Parliamentary Committee on the subject and I must confess that I see nothing in them to make me alter my opinion that indirect elections are not suited for the country. I am strongly of opinion that His Majesty's Government should alter the proposals and should prescribe direct elections to the lower House.

There is another question on which Indian opinion whether in Burma or in India is equally unanimous. The conditions of Indians in Burma will be made much worse if the proposals of the Joint Parliamentary Committee Report are adopted. Indians have gone to Burma as Englishmen have, with a right to settle there and carry on business in the full hope that Burma was as much a province of India as Bengal or the Punjab.

THE HONOURABLE THE PRESIDENT: You need not refer to Burma now, because I have already ruled that a separate discussion will take place on that question.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Hereafter the centre of political gravity will be shifted to the provinces where a great and responsible power is transferred to the people. There is therefore a great opportunity for sincere workers in the cause of the people to contribute to the economic and political advancement of the people. Much

depends upon the development of the parliamentary system in the legislature; in fact the scheme is based on parliamentary system of parties—parties based on sound political principles. If the ministers are capable men with a wider vision and if there is a party following and if the administration is carried on on safe lines, the special powers of the Governor need not be invoked. I only take it that it is not in the day-to-day administration that these powers can be or are capable of being exercised. If these powers are exercised by the Governor unjustly, the ministers can resign and appeal to the country. No Governor therefore will be willing to create a deadlock and uncomfortable situation in the country. We need not be apprehensive of the practical working of the scheme as much depends upon the class of men who are selected for the administrative responsibility.

Sir, I feel that enough attention has not been paid in this country to the great possibilities and potentialities of an all-India federation. India can never march through the goal of Swaraj or dominion status unless the clear line of demarcation that now exists between British India and Princely India is obliterated. In the welding of these two sections, in bringing the representatives of the princes and of the people of British India into a common legislature and in making this section to realize their own responsibility for defence and for the internal peace of the country lies the real political salvation. People who talk of a British India federation do not, in my humble view, realize the utter hopelessness of such a proposition. At any rate they forget or ignore the numerous qualifications and restraints which must inevitably be imposed on self-governing British India if the promises, pledges and treaties which His Majesty's Government have made to the Indian princes have to be maintained intact. An all-India federation is one big political advance—an advance may I add, which no amount of agitation in British India can bring about without the goodwill of Great Britain and voluntary accession of the Indian princes.

May I take this opportunity of expressing our great appreciation of the statesmanlike speech of the Secretary of State at the stage of the second reading of the Bill. His emphatic declaration that dominion status is the avowed goal of constitutional progress in India, that the preamble of the 1919 Act means nothing less, taken with the circumstances under which the declaration was made, can leave no doubt now in the minds of reasonable Indians. Having regard to all the controversies which have raged over the question since 1923, I consider that declaration to be as vital as that of August, 1917. I trust that those Liberals and Moderates who saw in the omission of any reference to dominion status in the Bill, an intention on the part of Great Britain to go back on its pledges, will now accept the generous declaration and come out openly to support the Government. They will do no good either to themselves or to the country by meekly imitating Congressmen and allowing themselves to be tied to the chariot wheels of the Congress. Their spokesmen at Poona stated that federation and dominion status were two cardinal principles and neither should be allowed to weaken the other. The emphatic declaration of Sir Samuel Hoare makes it abundantly clear, apart from the assurances which the provincial Governors gave and the repeated declarations of His Excellency the Viceroy, that there is not now and in fact there never was, any intention of going back on the pledge of dominion status. I ask this House to acknowledge with gratitude this generous and noble gesture of the British Government.

I have touched on only a few cardinal aspects of the Report and have suggested a few vital amendments. I may be told—in fact it has been freely suggested—that no amendments endorsed by the Legislature in India will

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have any effect on the course of Parliamentary legislation. I venture to profoundly disagree from this position. If even at this stage, Indian opinion can be unanimous and can take a reasonable and practical line of criticism of these proposals, I am sure neither the British Government nor the Houses of Parliament will ignore this opinion. Unfortunately if mere destructive criticism is indulged in or endorsed by the various legislatures and extreme propositions put forward about the rejecting of the constitution, certainly no shade of opinion in England will think it worth while to adopt these suggestions.

To crown all these, we have got at the present moment as the head of the administration in India a genuine and trusted friend of India and a tried administrator whose sympathy for and willingness to promote the legitimate aspirations of this country can never be questioned. His Excellency's letter written in his capacity as the Governor of Bombay to Mr. Lloyd George forcibly pleading for the cause of India bears ample testimony to his deep concern for the well-being of the Indian people. I am sure this House will agree with me when I say that Indian interests will be safe in His Excellency's hands and that given co-operation and goodwill, His Excellency will be able to steer the Indian vessel along the glorious path of sound constitutional development.

On the whole it seems to me that the new reforms are a great advance over the present and if necessary modifications are made they will conduce to the best interests of the country. It is easy to point out the defects in the scheme; but as yet we have not been able to work out an agreed scheme. I therefore would appeal to all parties, interests and creeds of India to work the constitution in a spirit of co-operation, sincerity and unity. If it is worked in such a spirit, there will be no occasion for the use of special powers and they will ultimately disappear. It is because we in India do not trust each other, and because one section of political thought has put forward extreme claims and has tried to render all constitutional government impossible, that the necessity for the safeguards has arisen. Any hostile attitude that may be taken against the scheme would give a helping hand to those in England who are opposed to the transference of political power to the people of this country. I therefore beg of all parties to accept the scheme and work it to the best advantage. This will, in my humble opinion, be the greatest recommendation for our obtaining full Swaraj.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House): Sir, the debate which is on the point of concluding is a unique one from many points of view. It is a debate in which a very large number of Members have taken part, not less than 28 members,—I believe, of all the elected Members present during the last two days, only two have denied us the pleasure of hearing them. I think I may congratulate the Council on the high level maintained during the course of this debate. There has been on the whole a debate which can be said to be marked by self-restraint and good feeling—no doubt at times views have been sharply expressed but still with no undue heat—at times some Members let themselves go but I have no doubt their intention was all to the good. They wanted to be emphatic.

Again, Sir, the debate included some maiden speeches and I am sure you will agree with me that the maiden speech of the Honourable Member from Jhelum, Raja Ghazanfar Ali Khan, was a very interesting one. No doubt his experience of the administration both in British India and Indian

India enabled him to speak with authority in certain parts of his speech and I am sure he said many things with which most of us would be ready to agree.

Again, it was very refreshing to see that the debate was conducted in a way as to show a great deal of independence of thought. Members did not feel bound to support the well recognized parties that exist in the country, and the various shades of opinion expressed were pretty numerous. However, it will be my endeavour in the few remarks that I will address now to the House to show that as a matter of fact the opinions expressed on points on which an expression of opinion is called for are not so very numerous as at first sight they might appear. At times no doubt the same speaker happened to give expression to views that were by no means consistent but then in controversies when feelings run high that is a phenomenon which is not unusual or unnatural.

Again, there were what we might call the humours of the debate. I, with your permission, Sir, will venture to illustrate this observation with one instance. Members opposite have more than once said that the proposed reforms, what good are they? We would much rather stay where we are than make this advance. I think most of the Members opposite, with two exceptions, held that view. The exceptions were the Honourable Sir Phiroze Sethna, who said he did not agree, and I think perhaps, if I am not mistaken, the Honourable Lala Jagdish Prasad also did not think as his leader did. However, it is immaterial whether there were one or two. The fact remains that the Progressive Party took up the attitude that the present constitution is bad, very bad, but still we would work along on this constitution in preference to what is being offered to us in the shape of a Bill framed on the basis of the Joint Committee's Report. Now, this was an expression of opinion by speakers some of them distinguished for their legal knowledge, their business ability, political experience and so on. May I venture to take them back to the year 1920? I think most of them were at that time in public life. Perhaps two of them were too young then. I remember the events that took place then. In 1920, the year after the passing of the Government of India Act of 1919, the constitution which the Progressive Party now wish to stand by and to follow was the constitution which India considered so bad that they boycotted the elections and refused to come into the legislatures. Is that the constitution which after 14 years' experience has become so good as to be better than the one which is being offered?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan): That was the Congress Party that boycotted and not we.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: The Leader of the Opposition says that the people who did these things were the benighted Congress Party, and that he and his friends did not agree with them, and that they thought that the Montagu-Chelmsford Report was really good. Now, may I remind him of the description in the public press, in particular, the national press, of the people who came into the Councils, that they were traitors to the country, that they were reactionaries, etc. I do not think that in the dictionary of wicked words there was any expression that the Congress press or the National press did not use in condemning the constitution which after 14 years has been found by the Progressive Party to be so good that they would stick to it rather than accept the new reforms. That shows, Sir, how our ideas change, or how lapses of memory make people take up positions which if they had coolly and calmly deliberated over the matter,

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they would never have ventured to take. I cannot conceive that any Indian politician keeping before his eye the condemnation of the Government of India Act of 1919 framed on the basis of the Montagu-Chelmsford Report, could have the temerity to say today that it is better than what is being offered. What is the position? If the Progressive Party is right that what is being offered is worse than what we have got, and the Congress Party said in 1920 that what was being offered by the Act of 1919 was worse than what they had got, you notice where we reach. We reach the pre-reform period of 1919, where in many provinces there were no Councils, no legislatures to speak of, and we get on to the beautiful days of one Lieutenant-Governor or Governor, with the help of a secretary, economically but autocratically administering the province. We can push things to an absurdity. But whatever the point of view may be, let us remember the facts. The facts are well within the memory of every man. It is so ridiculous to go on from stage to stage saying, "Really, we do not want any advance. We have never wanted". Let me not be tempted to labour the point any more.

Next, I think it would be best if I tell the Council what I am not going to do, and then state what I do wish to emphasize. I do not think I am called upon to enter upon a discussion in detail. Many points have been taken by the Honourable Members opposite, which are good points. There are others which are weak. There are some points which can be perfectly made and I believe convincingly made. There are others in which we may not be able to convince the Honourable Members who took it. But is this the stage to enter into a controversy on points of detail? We have reached now, in February, 1935, after seven or eight years, the stage where the reforms under discussion have given us this Bill, the second reading of which has been finished, which Bill is in the Committee stage now in the House of Commons, which Bill we may assume with minor changes is likely to be passed. It will serve no useful purpose to begin to re-discuss the different points in that Bill, which have been under discussion for the last three or four years. No good at all. What then do I propose to do? In the next few minutes that I propose to address the House, I will try to analyse the views expressed in the House in the hope of concentrating the attention of Honourable Members to points of importance. We have amongst us those who feel that the Report is not all that India expected; others think that it is not all that India deserved; there are others who think that the Report is so bad that it is unacceptable to them; then we come to the fourth group who say that it is a Report which they cannot but reject. The first class consists of those who think that they have not got what they expected; the second class say that they have not got what they deserved; the third class say that what is being given is unacceptable, and the fourth are the rejectionists. There is a slight difference between the unacceptables and the rejectionists. The unacceptables are a little milder than the rejectionists. Is that not so? Well, what does it matter whether you belong to the one class or the other? Here is this Report and here is this Bill. You do not claim that you have the authority to legislate. You do not deny that as a subordinate Legislature, and with your Government, the Government of India, as a subordinate Government, they are in a position of taking both their legislation and their orders from the authorities in England.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Then why debate?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: A very natural question. If the Honourable the Leader of the Opposition has the

decision of a matter in his own hands in his Party, does he deny the members of his Party the right to discuss? Does he deny the right to England to hear our views before coming to a decision? He has a right to say, "No, I will not express any opinion" but he cannot deny the right of the supreme authority to call for discussion in case any of us do wish to discuss, and is that authority not justified in asking for a discussion when we find that only two of the elected Members were able, I have no doubt with the exercise of considerable self-control, not to speak. For him to say, "Why call for a discussion" when we are all anxious to discuss is, I think, a little bit uncalled for.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Legislation on the India Bill is proceeding in England without Parliament knowing our views.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: There again the Honourable the Leader of the Opposition is not well informed. He does not know that there are agencies which flash his views and my views and other peoples' views within a few hours of their being uttered here, just as we get possessed of what was said in the House of Commons within a few hours of the utterances there. Let him not be under any misapprehension on that point. Our point of view may not agree with their point of view, but that they do not know our point of view is not correct. As a matter of fact, on the whole perhaps it might have been good for India if the means of communication were not so good as they are.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): May we know to which group, out of the four mentioned, the Government of India belong?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Will it help him to decide as to how to vote if this information were given?

THE HONOURABLE MR. HOSSAIN IMAM: It may, if we find that we are in the same boat.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: I do not know whether it is always wise to be in the same boat, considering that accidents are not infrequent in boating. However, to proceed.

These are the four categories to which various people who have given expression to their views belong. But I want you, Sir, to permit me to go a little further in my analysis. After all does it matter very much what our views are as to the Report and as to the proposed constitution, considering that the legislation is already under discussion in the House of Commons, considering also that the view that the present position is better than that proposed and therefore we would rather stay where we are is not a view that can be accepted. It is not the genuine view of the people who gave expression to it.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): It is my genuine feeling and the feeling of the Liberal group at least.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: I am glad you have added the word "feeling". Feeling is one thing and view is quite a different thing.

THE HONOURABLE MR. P. N. SAPRU : Sir, it is a definite view and conviction based on a study of the Report.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Now that is exactly what I thought a young man would say. It is so difficult to separate one's feelings and sometimes when one is young feeling overrides thought. Mind you, I do not object to it, nor do I venture to criticize that frame of mind. In fact at times I admire and honour that aspect of a man's character. After all, it would not do if every body felt and acted the same. Still, the fact remains that these views do not matter very much and the view that the present is better than the proposed constitution is not likely to be taken at its face value, and people who are critical of such remarks are bound to call it bluff. Nobody will believe it. What then is of importance is the constitution which the House of Commons is discussing and is likely to enact and whether it will be worked in India by Indians or not. That is the question. It has been put more than once in the House of Commons. It has to be answered by you. There are those who say, "Oh, we will answer that question when we see the Bill as it is enacted; we will not answer it now; we do not know whether the Bill will undergo alterations in the House of Commons or not; it may be passed in a form which is quite different from what it is now". I admit the force of that argument, but all the same I say that the question has been put and if we have nothing to conceal there is no reason why we should not be ready to answer it. What is my answer to it? Sir, holding the view I do of the position of India and of the position of the Indian Legislature I think it is not open to Indians pursuing constitutional methods of agitation to refuse to work the constitution which is being enacted for them by those who have the authority to do so. That position might be challenged from many points. It may be said that there have been instances in different countries where constitutionally a different position has been taken up by a subordinate people. I will not deny that. But constituted as India is today I hold and maintain that it is not open to India to refuse the new constitution which may be prepared for it by the authority which has the power to do so. What then is the view of the Honourable Members? Here, Sir, I hold that the view to which most of the Honourable Members who have taken part in the debate have given expression is that that constitution is bound to be worked by them. Some have said, "We will work it fairly". That is one of the amendments, to give it a fair trial. There are others who said, "We will work it, but we will work it sullenly". That was the view given expression to by the Honourable Member from the United Provinces. He said, "What is the good of Government securing such co-operation? It will be given, but it will be given in a spirit of unwillingness, of sullenness and non-co-operation". Well, I will try to go a little further in my analysis. Will that school of thought work the constitution constitutionally or with the object of obstructing it and making it unworkable? There is nothing new about these questions. There is nothing new about the position envisaged by me in these observations. What happened in the past, in 1920? One school of thought said they hated the Montagu Reforms to such an extent that they would boycott them, they would not enter the legislatures and would keep away from them. But that school of thought gave up that position three or four years later and in 1926, you will remember, they came trooping into the legislatures. Why? With the object of obstructing the reforms; with the object of demonstrating that the reforms were unworkable. They began in that frame of mind, but they gradually got into their stride and began to work them. Therefore we have before us this precedent of the 1919 reforms, how some of us boycotted

them, how the boycotters or some of the boycotters became Swarajists and co-operators, how they divided themselves into two schools of thought, those who would work them to show that they were unworkable and others who gave up the struggle and came to work them for what they were worth; and it is out of such parents that the Progressive Party has been born to stand by those reforms to the extent that it would not have any new reform, but would stick to them rather than go forward. So, Sir, I assure the House that situated as we are working the reforms, whether it is done by A, B or C or X, Y or Z, is inevitable. Some of us are bound to work them; others may not be able to control their feelings and for the time being feel that they will not work them and they cannot work them, they must not work them. Therefore am I right in thinking that barring very few exceptions, in this House there are no Members who take up the view that if this Bill is enacted during the course of this year or the next, that it will not be worked? On the other hand it seems inevitable, that some of us who will not work it, will find that there are many more ready to work it, that of those who are ready to work it the number of those who would work it sullenly, if there are any, will gradually decrease and they will then start the new idea that we must work it honestly and fairly and vigorously, but at the same time we must try to obtain an advance; and when these two ideas are put together I have no doubt the party which has these two items on its programme will be able to command a large following. Again, we must remember that if we adopt any attitude other than that I have indicated, what is the constitutional device to which we can resort in order to have our views enforced and more or less compel the authorities which have the framing of our constitution to frame another constitution more acceptable to us than the present? Have we not for the time being more or less exhausted all the constitutional devices? Has this struggle since 1919—really 16 years now—not been a fairly prolonged one in which many people have suffered in life, in health, in wealth? Is it fair for our political leaders to think of placing any further strain on the country? My answer to these questions, Sir, is in the negative. It is not fair. Let the country have a breathing space. Whatever the nature of these reforms, let us try to do the best we can honestly by them. Ten years hence will be time enough to review the situation and formulate proposals. Situated as we are all the differences between minorities and majorities, between classes and classes have been so prominently brought up that for the time being it is hopeless to adjust them. Here I see before me the Progressive Party of this Council delivering strong speeches against the proposed constitution. They would have a fit if they knew that the interests of landlords and capitalists will be at the mercy of the members of the legislatures and the safeguards in the hands of the Governor and the Governor General to protect them will not exist. That is so far as the landlords and the capitalists of the Progressive Party are concerned.

I turn then for a moment to the religious people. They would have a fit if they were told that under the reforms scheme previous assent to religious legislation or veto in the interests of the orthodox is not safe in the custody of the Governor and the Governor General. Religious-minded people, the landlords, the capitalists. What is left of the country? The masses. The masses would be most unhappy, if the Labour Members of the House of Commons are to be believed, because they feel that this constitution is going to set up an oligarchy, in India and God save them from the oligarchy. Therefore I say let us close the controversy. We have had enough of it for 16 years. Let us have a truce for ten years and work this thing for whatever it is worth, good, bad or indifferent, and then let it be up to those who are at the helm of

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affairs to review the position and see what form the agitation, struggle for political advancement of India, should take. My advice therefore to the House is that on this matter such points as have already been decided by His Majesty's Government it is no use to cavil at them or to find fault with them or try to disown them. They are there and it will be better to accept them whether we like them or not. As to working them I have sufficiently indicated my view and that, I may say for the benefit of the Deputy Leader of the Progressive Party, is the view of the Government of India as well. (Applause.)

THE HONOURABLE THE PRESIDENT: We have now arrived at a stage when the decision of the Council will be taken. I must point out to Honourable Members that I have decided to put all the amendments to the vote of the Council in the order in which they were proposed, as I think any other course would not be just and fair to all the proposers of other amendments. I will take first the amendment proposed by the Leader of the Opposition and I would like his expression of opinion on part 2 of his amendment, which says:

"This Council does not deem it expedient to express any opinion on the Communal Award."

Honourable Members have seen that almost every Member who spoke for the last two days has expressed a most definite opinion one way or the other on this question and in view of that, does he still desire to press part 2 of his amendment?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Yes, Sir.

THE HONOURABLE THE PRESIDENT: Original Motion moved:

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration"

to which an amendment has been moved:

"That for the original Motion the following be substituted, namely:

1. That the scheme of constitutional reform formulated in the Joint Select Committee's Report is entirely unacceptable to this Council and to the bulk of the people of India and this Council therefore recommends to the Governor General in Council that he may be pleased to inform His Majesty's Government that the Council desires that legislation based on the Report should not be proceeded with. This Council further urges that immediate steps should be taken to frame a constitution which would establish real responsible government both at the centre and the provinces.

2. This Council does not deem it expedient to express any opinion on the Communal Award."

The Question is:

"That this amendment be made."

The Council divided:

AYES—10.

Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Srijut Heramba Prosad.
Chari, The Honourable Mr. P. C. D.
Gounder, The Honourable Mr. V. C. Vellingiri.
Hossain Imam, The Honourable Mr.

Jagdish Prasad, The Honourable Rai Bahadur Lala.
Kidwai, The Honourable Shaikh Mushir Hosain.
Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.

NOES—36.

Basu, The Honourable Mr. Bijay Kumar.
Buta Singh, The Honourable Sardar.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the Devadoss, The Honourable Sir David.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghazanfar Ali Khan, The Honourable Raja.
Ghosal, The Honourable Mr. Jyotsnath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Jalan, The Honourable Rai Bahadur Radha Krishna.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The Honourable Maharajahdiraja Sir.
Menon, The Honourable Diwan Bahadur Sir Ramunni.

Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.
Mitha, The Honourable Sir Sukumar Cassim Haji.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Noon, The Honourable Nawab Malik Sir Muhammad Hayat Khan.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Philip, The Honourable Mr. C. L.
Raghtunandan Prasad Singh, The Honourable Raja.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Suhrawardy, The Honourable Mr. Mahmood.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: Original Motion moved:

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration"

to which an amendment has been moved:

"That for the original Motion the following be substituted, namely:

This Council is of the considered opinion with reference to the constitutional scheme as formulated in the Report of the Joint Parliamentary Committee that:

- (1) The scheme is unsatisfactory, inadequate and disappointing.
- (2) It is not what Indians were led to expect nor in consonance with Indian public opinion, or with the avowed object with which the Round Table Conferences were held.
- (3) The changes made in the Joint Parliamentary Committee's Report in regard to some of the recommendations of the White Paper are distinctly worse and are a setback.
- (4) The avoidance of any reference to dominion status is so deliberate and significant as to have given rise to the apprehension that the British Government intends to depart from the policy of conferring such status upon British India.
- (5) The powers proposed to be retained in the Governor General and the Governors, otherwise called 'safeguards' are so extensive, substantial and all-comprehensive that they will seriously interfere with the working of the constitution and seriously prejudice the advance of India to full responsibility both in the provinces and at the centre and to dominion status.
- (6) The whole scheme should be so improved as to give substantial effect to the recommendations unanimously made by the British Indian Delegation in their joint report submitted to the Joint Parliamentary Committee."

[Mr. President.]

The Question is :

"That this amendment be made."

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: As regards the next amendment, that of the Honourable Raja Ghazanfar Ali Khan, I propose to divide it. I will first put part 1 of the amendment to the vote, and then, after the decision of the Council has been taken, I will put parts 2 and 3.

Original Motion moved :

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration"

to which an amendment has been moved :

"That this House accepts the Communal Award so far as it goes until a substitute is agreed upon by the various communities concerned"

The Question is :

"That this amendment be made."

The Council divided :

AYES—31.

Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the.
Devadoss, The Honourable Sir David.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghazanfar Ali Khan, The Honourable Raja.
Ghosal, The Honourable Mr. Jyotsnath.
Glancy, The Honourable Mr. J. B.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hulim, The Honourable Khan Bahadur Hafiz Muhammad.
Hallett, The Honourable Mr. M. G.
Hussain Imam, The Honourable Mr.
Johnson, The Honourable Mr. J. N. G.

Menon, The Honourable Diwan Bahadur Sir Ramunni.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.
Mitha, The Honourable Sir Suleman Cassim Haji.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Philip, The Honourable Mr. C. L.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Suhrawardy, The Honourable Mr. Mahmood.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

NOES—13.

Barerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Sriput Heramba Prasad.
Basu, The Honourable Mr. Bijay Kumar.
Buta Singh, The Honourable Sardar.
Gunder, The Honourable Mr. V. C. Vellingiri.
Jagdish Prasad, The Honourable Rai Bahadur Lala.
Jalan, The Honourable Rai Bahadur Radha Krishna.

Kameshwar Singh of Darbhanga, The Honourable Maharajahdiraja Sir.
Khaparde, The Honourable Mr. G. S.
Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Raghunandan Prasad Singh, The Honourable Raja.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.

The Motion was adopted.

THE HONOURABLE SIR DAVID DEVADOSS: May I suggest, Sir, that the second and third parts of this amendment be put separately, as Members may like to vote differently on each?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I have no objection, Sir, to your putting the parts separately if Members so desire.

THE HONOURABLE THE PRESIDENT: I am prepared to meet the wishes of the House and will put the parts separately.

Original Motion moved :

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration"

to which an amendment has been moved :

"That as regards the scheme of provincial autonomy this House is of opinion that it is a distinct advance on the present constitution but to satisfy the political aspirations of people the idea of second chambers in provinces should be abandoned and provisions relating to police rules, secret service, and intelligence departments should be so modified as to make the transfer of law and order real and effective"

The Question is :

"That this amendment be made."

The Council divided :

AYES—9.

Barua, The Honourable Sriput Heramba Prasad.
Chari, The Honourable Mr. P. C. D.
Devadoss, The Honourable Sir David.
Ghazanfar Ali Khan, The Honourable Raja.
Gunder, The Honourable Mr. V. C. Vellingiri.

Habibullah of Dacca, The Honourable Nawab Khwaja.
Mitha, The Honourable Sir Suleman Cassim Haji.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Suhrawardy, The Honourable Mr. Mahmood.

NOES—34.

Basu, The Honourable Mr. Bijay Kumar.
Buta Singh, The Honourable Sardar.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghosal, The Honourable Mr. Jyotsnath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Mr. Bertrand.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Jalan, The Honourable Rai Bahadur Radha Krishna.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The Honourable Maharajahdiraja Sir.
Khaparde, The Honourable Mr. G. S.
Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.

Menon, The Honourable Diwan Bahadur Sir Ramunni.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Philip, The Honourable Mr. C. L.
Raghunandan Prasad Singh, The Honourable Raja.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Sapru, The Honourable Mr. P. N.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: Original Motion moved:

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration"

to which an amendment has been moved:

"That with respect to the scheme of central Government this House is definitely of opinion that it is retrograde and a setback to the progress of the country towards the realization of the ultimate goal of responsible government and therefore that either the federation should be confined for the present to British India alone and the method of election to the lower House should be direct instead of indirect or that the conditions laid down by the Indian States for their entry in the proposed scheme of federation should be radically changed and the safeguards substantially modified in consultation with Indian opinion so as to make the responsibility at the centre a reality."

The Question is:

"That this amendment be made."

The Council divided:

AYES—10.

Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Srijit Heramba Prosad.
Chari, The Honourable Mr. P. C. D.
Ghazanfar Ali Khan, The Honourable Raja.
Gounder, The Honourable Mr. V. C. Vellingiri.

Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.
Mitha, The Honourable Sir Suleman Cassim Haji.
Raghunandan Prasad Singh, The Honourable Raja.
Ram Saran Das, The Honourable Rai Bahadur Lala.

NOES—34.

Basu, The Honourable Mr. Bijay Kumar.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the Devadoss, The Honourable Sir David.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghosal, The Honourable Mr. Jyotsnath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Jalan, The Honourable Rai Bahadur Radha Krishna.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sir.
Kharparde, The Honourable Mr. G. S.

Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Philip, The Honourable Mr. C. L.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Sapru, The Honourable Mr. P. N.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Suhrawardy, The Honourable Mr. Mahmood.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: We will now take up the fourth and last amendment, that of the Honourable Mr. Mohammad Yamin Khan.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of order, Sir. The Motion being "that for the original Motion the following be substituted" and substitution having already been made, the original Motion ceases to exist and therefore I think the Motion of the Honourable Mr. Mohammad Yamin Khan is out of order.

THE HONOURABLE THE PRESIDENT: I entirely disagree with you. The Motion is entirely in order, and I propose also to tack on to it the amendment of the Honourable Raja Ghazanfar Ali Khan which has been carried by the House.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I would request you not to do so, Sir, as some of us cannot possibly support Mr. Mohammad Yamin Khan's amendment, and I hope therefore voting will not be taken on the first part of my amendment again.

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU: On a further point of order, Sir. The Honourable Mohammad Yamin Khan's Motion speaks of working the constitution. We have been asked here merely to consider the Report and in another place, Sir, a statement has been made that the Government of India has not been asked to ascertain whether public opinion is prepared to work this constitution or not. I submit, Sir, that the amendment does not arise out of the terms of the original Motion and it is out of order.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: May I point out that this amendment was moved more than 48 hours ago. No objection was taken at the time that the amendment was out of order. The debate has gone on for two and a half days and the objection taken that the amendment is out of order is certainly out of time if not out of order. I do not see how Honourable Members at the time of voting can take up this attitude. Whether it will form part of one substitution or another will depend upon whether it is carried. It may be that it will be rejected, in which case no question arises. The first thing to do is to put the amendment to the vote and see what happens.

THE HONOURABLE THE PRESIDENT: The Government suggestion is that the amendment of the Honourable Mr. Mohammad Yamin Khan should be put to the vote separately.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Yes, that is what must happen.

THE HONOURABLE THE PRESIDENT: Then what will be the position of the first part of Raja Ghazanfar Ali Khan's amendment?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Two things happen. One is that in case the Honourable Mr. Mohammad Yamin Khan's amendment is thrown out then the only amendment carried is the one which has already been passed. In case Mr. Mohammad Yamin Khan's amendment is carried, these are the two parts which are carried and which—

THE HONOURABLE THE PRESIDENT: Two separately carried?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Yes. In the other place there were two parts separately carried; whether they belong to the same mover or different movers is immaterial.

THE HONOURABLE THE PRESIDENT: I would like to act according to the wish particularly in this case of the mover of the amendment. If you are keen on your amendment being put separately and the Honourable Mr. Mohammad Yamin Khan is desirous of having his put separately, I have no objection. What is your opinion?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I would like it put separately.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: May I submit on this most important constitutional issue that, as pointed out by my Honourable friend Mr. Sapru, the Motion which you put before the House was that "part 1 of the amendment moved by me may be adopted in place of the original Motion".

THE HONOURABLE MR. G. H. SPENCE: No, Sir. The Honourable Member is mistaken.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: That was the Motion that part 1 of my amendment may be adopted for the original Motion; and therefore the House having decided out of those three parts to adopt part 1 for the original Motion and to reject the other two parts, the original Motion now stands:

"This House accepts the Communal Award so far as it goes until a substitute is agreed upon by the various communities concerned".

Therefore I do not see how any other amendment in relation to the original Motion can be moved at this stage. That is No. 1. The second is that the Honourable the Leader of the House just pointed out that this amendment was given notice of 48 hours ago and we have not taken any action so far. The reason, I must submit, is that it was only yesterday at 11-30 that in answer to question No. 209 put by Mr. Satyamurti in the Legislature Assembly, the Law Member declared that the Secretary of State had not asked the Government of India to consult anybody whether they are going to work the constitution or not. That information was not in our possession, Sir, till this morning when we read it in the papers. That is why we could not raise the point that this amendment should

1 P.M.
be ruled out. We could not put this matter to you earlier, Sir, but now that we know the Secretary of State's attitude, we put it before you for your decision.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Sir, may I submit to you that as it happened my amendment was the first in order on the paper and while it was discussed that how these amendments should be put it was pointed out that my amendment was the first to come in and it was at the express desire of all the Members concerned that it was decided by you, Sir, in consultation with all the Parties that all the amendments would be put

irrespective of what the result would be and that has been done. The amendment of Raja Ghazanfar Ali Khan is not bit by bit, it is one and a whole. His amendment was "that for the original Motion the following be substituted, namely, (1), (2) and (3)". Two have been rejected. Now it is not for him to say that the whole amendment has been carried. It was not part by part. He did not mention that for part so and so in the original Motion this part may be substituted, and for part so and so in the original Motion this other part should be substituted. But for the thing as it stands the whole amendment should be substituted. This has not been done in any way and the original Motion also remains in respect of the two other parts which he has tabled and therefore I do not know why he raises this proposition, which is logically and legally erroneous.

THE HONOURABLE MR. G. H. SPENCE (Government of India: Nominated Official): Sir, my submission is as follows. The Honourable Raja Ghazanfar Ali Khan's amendment was "that for the original Motion the following be substituted, (1), (2), (3)". The Chair, realizing that (1), (2) and (3) raised entirely different issues and that some Honourable Members might want to vote for one and against another, did not put the question in the form "That for the original Motion the following be substituted". The question put by the Chair was "that this House accepts the Communal Award so far as it goes until a substitute is agreed upon by the various communities concerned". The House adopted that proposition and there is no question of going back on it. What the House has got to do now is to arrive at one self-contained proposition embracing all the points which the House wishes to affirm in lieu of the original non-committal Motion moved by the Leader. Therefore the Honourable Mr. Mohammad Yamin Khan's amendment, I submit, can be put. It is altogether immaterial whether it is put along with the proposition already adopted on the Honourable Raja's amendment or not. The objection taken by the Honourable Raja that if that proposition were tacked on to Mr. Yamin Khan's amendment he would wish to oppose Mr. Yamin Khan's amendment but could only oppose it by opposing his own falls to the ground entirely. Whatever the Council does on Mr. Yamin Khan's amendment, the Council has definitely decided that it accepts the Communal Award. If Mr. Yamin Khan's amendment drops, then the acceptance of the Communal Award is tacked on to the non-committal formula in which the Motion was moved by the Leader. If the Council accepts Mr. Yamin Khan's amendment, then its expression of opinion with reference to the Communal Award must necessarily be tacked on to Mr. Yamin Khan's amendment. (Applause.)

THE HONOURABLE MR. HOSSAIN IMAM: Do we take it that the interpretation which the Honourable Secretary of the Council of State has given is that we are to pass substantive Motions and not an amendment to the original Motion. If it is an amendment to the original Motion, then the wording of the amendment as given on the order paper is the material thing; and the way in which it has been put by the Chair is not constitutionally recognized, it is only for the sake of convenience that particular words are used. But the original wording of the amendment being "that this be substituted", then without the permission of the House no one has the right to change that amendment simply by saying it can not be a substantive Motion. First of all the House should have decided whether it is going to consider these things as the substantive Motion and to be governed by the rules governing the substantive Motion or as an amendment to that Motion and therefore to

[Mr. Hossain Imam.]

be governed by different rules. On this position, Sir, I wish to have your ruling.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, the position now is that for the original Motion of the Leader of the House part I of Raja Ghazanfar Ali Khan's amendment has been substituted. Hence the original Motion of the Honourable the Leader of the House is not before us. What is before us now is:

"That this House accepts the Communal Award so far as it goes until a substitute is agreed upon by the various communities concerned".

Now how can Mr. Yamin Khan substitute his Motion for the original Motion which has already been replaced by part I of Raja Ghazanfar Ali Khan's amendment. So the only thing that can be done is for Mr. Yamin Khan to move an amendment to the amendment which has been adopted by the House and which is before us.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I would like to point out, Sir, was it not out of order for Raja Ghazanfar Ali Khan to move his parts 2 and 3?

THE HONOURABLE THE PRESIDENT: The points raised in the course of argument are merely of academic interest and there is nothing unconstitutional in the manner in which I have put the amendments. So far as the nature of the amendments is concerned, the method of putting them as well as the original Motion rests entirely with the President and he exercises his own discretion. That discretion has been supported and fortified by an agreement which was arrived at between the proposers of the several amendments and it was unanimously agreed that the first amendment of the Honourable Mr. Mohammad Yamin Khan should be taken last for the convenience of Honourable Members and therefore this objection on the part of Honourable Members at this stage comes with a bad grace. I must also state in connection with the amendment that some of the Honourable Members are in error in stating that I used the word "substituted" in putting the first part of the Honourable Raja Ghazanfar Ali Khan's amendment. I did not do so: as a matter of fact I deliberately avoided using that word. I will now therefore put the Honourable Mr. Mohammad Yamin Khan's amendment to the vote.

The original Motion was:

"That the Report of the Joint Committee on Indian Constitutional Reform be taken into consideration"

to which an amendment has been moved by the Honourable Mr. Mohammad Yamin Khan:

"That this Council is of opinion that though the Report of the Joint Parliamentary Committee falls far short of the aspirations of the political parties in India and does not accept some of the demands put by the Indian Delegation to the Round Table Conference, the constitution proposed under the scheme of the Report is a great advance on the present constitution and will be given a fair trial in working by the people of India".

The Question is:

"That this amendment be made."

(After the division bell had been rung.)

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: Mr. President, may I know if the official bloc is going to vote?

THE HONOURABLE THE PRESIDENT: This is not the stage at which I raise a point like that.

The Council divided:

AYES—32.

Basu, The Honourable Mr. Bijay Kumar.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the.
Devadoss, The Honourable Sir David.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghosal, The Honourable Mr. Jyotsnath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Jalan, The Honourable Rai Bahadur Radha Krishna.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The Honourable Maharajahdhiraja Sir.

Menon, The Honourable Diwan Bahadur Sir Ramunni.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Nees, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Padsah Sahib Bahadur, The Honourable Saiyed Mohamed.
Philip, The Honourable Mr. C. L.
Raghunandan Prasad Singh, The Honourable Raja.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gekaren Nath.
Yamin Khan, The Honourable Mr. Mohammad.

NOES—14.

Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Srijit Heramba Prasad.
Buta Singh, The Honourable Sardar.
Chari, The Honourable Mr. P. C. D.
Ghazanfar Ali Khan, The Honourable Raja.
Gounder, The Honourable Mr. V. C. Vellingiri.
Halim, The Honourable Khan Bahadur Hafiz Muhammad.

Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.
Khaparde, The Honourable Mr. G. S.
Kidwai, The Honourable Shaikh Mushir Hossain.
Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.

The Motion was adopted.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE THE PRESIDENT: As a result of the decisions reached by the Council before the luncheon adjournment, the Motion before the Council now stands in the following form:

"That this Council is of opinion that though the Report of the Joint Parliamentary Committee falls far short of the aspirations of the political parties in India and does not accept some of the demands put by the Indian Delegation to the Round Table Conference, the constitution proposed under the scheme of the Report is a great advance on the present constitution and will be given a fair trial in working by the people of India."

"This Council accepts the Communal Award so far as it goes until a substitute is agreed upon by the various communities concerned".

[Mr. President.]

The Honourable Mr. Chari should move his amendment in the following form :

"That to the Motion before the Council the following be added, etc."

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, I move :

"That to the Motion before the Council the following be added :

1. That this Council is opposed to the separation of Burma in the near future and on the basis of the present constitution.

2. This Council reiterates the recommendations made by it by a Resolution passed on the 15th August as regards the free and unrestricted entry of Indians into Burma after separation and as regards safeguards for the Indians, Indian shipping and Indian companies on the same footing as United Kingdom British subjects ships and companies in a separated Burma and this Council regrets very much that the Resolution of this House was ignored in making the Report.

3. This Council is strongly opposed to the recommendations of the Parliamentary Committee in regard to the Governor General's special responsibility with regard to the tariffs on commodities of Burmese origin and to the powers proposed to be given to the Secretary of State to regulate, direct and fix the export and import duties on goods exported from India to Burma or imported into India from Burma after separation and resents the recommendations as a serious inroad into the fiscal autonomy convention for India."

Sir, it is well known that the connection between Burma and India is several centuries old. Though the Burmans may belong to a different race but I am not quite sure about that and it is arguable there is a common culture and the prevailing religion of Burma, Buddhism, is an Indian religion. There is a great affinity between the two countries, cultural and otherwise. Even before the British conquest Indians went freely to Burma and carried on avocations there on the same footing as Burmans. Since the British conquest it has been the deliberate policy of the Government to encourage Indians to go to Burma, to settle down and to invest their capital there. As a result of this encouragement and because Burma was a province of India, Indians have been stimulated to invest their capital in Burma and hold a very large stake in Burma, and are second in importance only to the indigenous people of Burma. In agriculture, in industry and trade and all other avocations Indians have taken a prominent part and Burma has been greatly developed by Indian capital, Indian labour and Indian enterprise. I can say without fear of contradiction that Burma owes its present prosperity to Indian enterprise, capital and labour. Having brought Burma to that state of prosperity we hardly expected that any section of the people would be so ungrateful as to raise an anti-Indian agitation with a view to squeeze out the Indian from the land and to injure his economic and other interests in Burma. Seven years ago, Sir, standing in this place in the last Council I moved a Resolution for the appointment of a Committee to co-operate with the Simon Commission, after a large section of India had declared for a boycott of the all-white Commission and after the Assembly had given its verdict in favour of boycott of the Commission. My primary object in doing so was to see that Burma's case against separation may not go in default. It was all the more necessary for me to do that because the largest section of the Burmese population had non-co-operated as a protest against the dyarchical reforms introduced there, and I very well know that the great majority of Burmans would boycott the Commission, and it was my duty to put forward the view, not only of the Indian community in Burma, which is an integral part of the population, but the view of the majority who had for other reasons adopted a policy of non-co-operation. With this end in view I submitted a memorandum on behalf of all the Indians, of course I was joined by leaders of the various

Indian communities. I was subjected to a lengthy cross-examination on this question of separation or association with India, and in the course of it Sir John Simon put to me one question, and it is this :

"If, as you say, the vast majority of Burmans are against separation, how is it we have not evidence of it here?"

and he followed it up by pointing out that there was no Resolution passed in the local Council for continuance of the association with India in a scheme of reforms. I at once pointed out that for the sake of opposing separation the non-co-operation party is not prepared to give up this policy of non-co-operation and as regards this Council, the Council had so far not expressed an opinion in favour of separation and that meant they were in favour of maintenance of the *status quo*. At the close of my examination by Sir John Simon, he suggested that the Burma Legislative Council should immediately express the view whether they are in favour of separation or not and I pointed out to him that it would be very unfair because elections to the Legislative Council were not fought on this issue of separation *versus* continuance with India, and secondly, that it would not reflect the opinion of the country as the vast majority—90 per cent. of the voters—had non-co-operated at the time of the elections. Still within a few days after this suggestion the local Legislative Council passed an Adjournment Motion moved by the Leader of the Peoples' Party and the result of it was that they were in favour of separation of Burma from India. Subsequent events showed that this was not the opinion of the country. The Statutory Commission however acted upon this Resolution and said that the opinion in Burma is decidedly in favour of separation. They have also given certain other reasons to which I would allude a little later; and subsequently when the Round Table Conference was called, the Burma Government probably suggested it and it happened that only the leader of the separationist group had been invited to the Round Table Conference and the leaders of the anti-separationist party were not invited to the Round Table Conference. We are all aware that a Sub-Committee on Burma was appointed and there was only this voice, the solitary voice of the separationist; and as a result of it they came to the hasty conclusion that Burma be separated from India. In the meanwhile representations were sent by cablegram and otherwise protesting that the voice of the anti-separationists were not heard before this record about Burma was made and at the plenary Round Table Conference the question was again mooted by several Indian delegates. As a result of it it was decided and it was declared by the Prime Minister that before separation the desires of the people of Burma will be consulted and that if the people of Burma desire that there should be separation that desire will be given effect to. Mr. Jinnah said that India was primarily concerned and demanded that Indian opinion should be consulted before deciding about separation or continuance with India and the Prime Minister on behalf of His Majesty's Government gave an assurance that Indian opinion will be consulted. Until this day I have not seen that the Government has taken any steps to consult Indian opinion and I am inviting Indian opinion probably for the first time by introducing the first part of the amendment.

Let me analyse the position in Burma. The Indian community has been opposed to separation all along and today it is opposed to separation. The European community has all along maintained an attitude of neutrality; and as regards the Burmese, I will show presently that the vast bulk of the Burmese population are decidedly against separation and they want to continue as a part of India. In 1932 in November an election was held and the election was

[Mr. P. C. D. Chari.]

fought on this issue, His Majesty's Government clearly stated this issue. They said :

" The first step is to ascertain whether the people of Burma endorse the provisional decision that separation should take place. The people of Burma will be in a position to decide whether or not they are in favour of separation from India. That decision will determine whether on the one hand Burma should be independent of India with a constitution on the lines set forth above or, on the other hand, should remain a province of India with the prospects indicated in the proceedings of the two sessions of the Indian Round Table Conference—and in this connection it should be remembered that if an Indian federation is established it cannot be on the basis that members can leave it as and when they choose "

On this definite issue the elections were held and the Government took care to broadcast this in the Burmese vernacular, and on this issue the result was as follows : 42 anti-separationists, 29 separationists and nine neutrals were returned : and as regards the number of votes polled, the anti-separationists polled 500,000 votes whereas the separationists polled only about 270,000 votes. On the basis of that election Burma definitely decided not to separate from India by a majority of two to one. This was in November, 1932. In December a Resolution was moved by U Ba Pe, who is the Chief Minister and who is still the Leader of the Separationist Party that Burma be separated from India and this Resolution was defeated. There was another Resolution moved that the Council was opposed to the separation of Burma on the basis of the constitution. Those are the words in which this issue was put. This clear-cut issue was answered in favour of Burma continuing as a province of India and they definitely stated that they were against separation on the basis of this constitution. Then there were two other Resolutions passed at the same meeting which created a little bit of confusion. They are not really confusing. They were in the nature of riders and I shall read to you those Resolutions also. They are in the form of a consolidated Resolution which reads thus :

" The Council eventually, on 22nd December, adopted a Resolution which (1) opposed the separation of Burma from India on the basis of the constitution outlined by the Prime Minister on 12th January, 1932; (2) emphatically opposed the unconditional and permanent federation of Burma with India; (3) promised continued opposition to the separation of Burma from India except on certain conditions; and (4) proposed that, in the event of these conditions not being fulfilled, Burma should be included in the Indian federation on special conditions differentiating her from other provinces and including the right to secede at will from the federation "

So as a result of those riders which were added to the main Resolution opposing separation and with a view to elucidate the position beyond the possibility of doubt, a special session was held between the 25th April, 1933 and the 6th May, 1933, in which the issue was sought to be clarified. But the separationist knowing full well that we are in a hopeless minority in the Council and there was no chance of their carrying a Resolution in favour of separation adopted a very undignified, if I may say so, and extremely dilatory course. I do not know how it was permitted but I find from the proceedings that the separationist Members went on speaking for hours and days together and each Member speaking for a whole day and even more, and as a result of it the time allotted for coming to a decision on this point expired and the anti-separationists were anxious that their point of view should also be put forward in the session and be allowed to force things to a division and they wanted that their point should also be put and a decision arrived at. Somehow this very reasonable request was not acceded to and as a result of it the position remained as it was before that special session was held. So the position is,

not only did the election results show that Burma was decidedly against separation, but the definite Resolutions moved in the Council also showed that Burma was also against the separation. And so far, up to this day, no Rescission had been passed stating that Burma was in favour of separation. That is the position today. And one would expect that the Prime Minister and His Majesty's Government would stick to their own words given at a time when this election issue was put before the Burma electorate. On the other hand, we find that the Secretary of State took up this attitude later on in the course of discussions in the Select Committee, that Government is not bound to consider the election results and the Resolutions of the Legislative Council alone. That need not be the primary consideration in arriving at a decision on the question of federation or separation. Well, the doubt, if there was any doubt as regards the attitude of the people, was further clarified by the anti-separationists who, finding that they had not the opportunity to force it to a division and to arrive at an unequivocal Resolution placing beyond doubt the views of Burma, have adopted the only other course open to them and that was by sending a memorandum in writing setting forth that Burma was against separation over the signatures of 44 out of 80 elected Members of the House. From this it is quite clear that the elected Members representing the people of Burma were decidedly against separation and this was further made quite clear at the Select Committee at which the anti-separationist leaders were present and in the course of a discussion in answer to a question pertinently put to these leaders this is what was said—I shall read the question and answer which will show that these people who represented the anti-separationists gave the real feeling in the country. Again the position was made clear beyond doubt before the Joint Parliamentary Committee by U Chit Hlaing and Dr. Ba Maw. The latter in reply to the Archbishop of Canterbury said :

" If our choice is limited to separation on the basis of the Prime Minister's proposed constitution and an entry into the Indian federation on the same terms as the other Indian provinces, we unhesitatingly choose the federal alternative as being in keeping with the very clear mandate we had obtained from the country "

It is absolutely clear that out of the two alternatives they selected the alternative of entering the Indian federation unconditionally, if they are obliged to. No doubt they would very much like to have the opportunity of reviewing their position at some future date, but if that opportunity is not given and there is no other alternative they were decidedly in favour of entering into the Indian federation unconditionally. So there cannot be any doubt, as regards the majority opinion, the overwhelming opinion in Burma against separation, and we Indians are prepared to abide by the opinion of the majority community which will be affected by separation or association. And even if you disregard the views of the other communities like Indians and Europeans the vast bulk of the people of Burma are decidedly in favour of association with India unconditionally. That is the position with regard to the sentiment and the desire of the Burmese people.

Well, Sir, there are other aspects of this question which are considered necessary to be gone into and one of these considerations is the fiscal position. It is made out that Burma and the conditions of Burma would suffer greatly and do suffer greatly as a result of being part of India through a policy of discriminating protection. The interests of the consumer in Burma as regards their requirements in the matter of steel and textiles are being affected when the consumer is unnecessarily taxed in view of the fact that there is no industry worthy of the name in Burma. Well, my submission is that the fiscal question

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should be decided as a whole, whether in regard to that question, Burma stands to lose or gain by remaining as part of India, and I get very strong support from the Report of the Joint Parliamentary Committee itself. It is this. In view of the fact that the time at our disposal is very short I would merely refer to one passage, the concluding passage of the Report on this aspect of separation. I am reading from paragraph 434.

"The difficulty of regulating the economic relations of India and Burma in the period immediately following separation has presented itself to us as the most serious obstacle to a recommendation in favour of separation, which on all other grounds seems plainly to be indicated."

Then they solve it by one or two other sentences by suggesting a trade agreement and all that. I will come to that when I deal with the trade agreement. Here I am referring to it for the purpose of showing that in the considered opinion of the Select Committee, the most serious obstacle in favour of separation is that the economic position of Burma would seriously suffer immediately after separation. I have read the Report very carefully, and I would summarize my view in one or two sentences. They have very carefully gone through all these questions. The Burmese sentiment in favour of association with India is there. The economic interests of Burma will be considerably better by her remaining as a part of India. These are the two main considerations which will have to weigh in deciding about federation or separation. It is suggested that as Burma after separation will get all the central revenues which the Indian central revenues are now getting, there will be a gain to the revenues of Burma. In the Memorandum as regards the financial position as a result of separation prepared by Messrs. Howard and Nixon, they could not agree upon the figures under various heads. They held different views. It is claimed that Burma will gain to the extent of Rs. 3 crores in the way of revenue. As against this, we have got the fact that if Burma ceases to be a part of India, India will be losing these Rs. 3 crores. India will see to it that she gets Rs. 3 crores if she can possibly get it by taxing the Indo-Burma trade. This naturally leads me to the third portion of my amendment regarding the provision recommending a trade agreement. There the recommendation is that before separation, the Government of India and the Government of Burma may come to a sort of agreement. It will not be really a trade agreement. They would be settling the principles which ought to be incorporated relating to the duties. If they cannot come to an agreement, there is a definite recommendation that the Secretary of State would impose an agreement. That means that so long as the India and Burma Governments are made aware of this fact that if they do not come to an agreement, there will be an agreement imposed—of course, it will not be an agreement at all—that takes away the bargaining power, the whip hand, which India has in getting a favourable trade agreement with Burma. They propose to give effect to it, as I read from the Bill, by giving a power to the Secretary of State by means of Orders in Council to regulate the export and import duties immediately after separation. As regards the period beyond that, the Governor General of India, who is only the agent of the Secretary of State—and the Secretary of State will be both of India and Burma—the Governor General is given a special responsibility with reference to the fixing of duties on commodities of Burmese origin. No doubt it is stated that the special responsibility will be to prevent discriminatory tariffs, or penal tariffs against commodities of Burmese origin. But we all know what the result of this will be. It will lead to the maintenance of the favourable agreement,

which Burma may secure by this recommendation that in the event of India and Burma not coming to an agreement, the Secretary of State will impose a trade agreement, and that will be embodied in the Statute. We are aware that steps have been taken to arrange the preliminaries for this trade agreement. I have read in the papers—I have not heard of any communication on the subject so far—that the Government of India invited a few commercial representatives of India also to discuss this question. But this matter is not merely a question of trade adjustment and trade relationship between India and Burma. I will presently show that having regard to the trade position between India and Burma, India has got the whip hand. If there is no trade agreement, if there is the natural application of export and import duties on goods coming from Burma and goods going from India, having regard to the trade position, there is a tremendous advantage in favour of India, and India will be in a position to have a very strong weapon in her hands, in the event of the life and property of their nationals in Burma being affected by the Burmese people, the Burmese Legislature or the Burmese Government. Having this whip hand, they could always retain this advantage, and the moment India finds that the interests of Indians are injuriously affected, and the rights of Indians are being invaded, then it will be possible for the Government of India to take reprisals or such measures as adopting a different tariff policy as will bring Burma to her senses. Now, at one stroke of the pen, what is recommended is otherwise. In the best economic interests of India the Secretary of State ought to have certain powers. It is admitted that the exercise of these powers will be an encroachment on the fiscal autonomy convention for India. The Report specifically admits that it will be an encroachment. They say in paragraph 430:

"That an agreement of this kind embodied in the Constitution Act, even though mutually advantageous to the two countries, must necessarily constitute to some extent an encroachment upon the fiscal liberty which India already enjoys. We do not see any actual advantage or gain to the Burmese people or to India by separation."

It is not in consonance with Burma's opinion. This separation if forced down the unwilling throats of Burmans will mean an inroad upon the fiscal autonomy convention of India. Well, we do not know what imperialistic or military considerations are behind the scheme as they are not mentioned in the Report, but it is quite clear, considering all aspects of the question, separation is not to the advantage of Burma and the Burmese people.

I shall now go into the trade figures and show how India has got the whip hand in the matter of bargaining, if her hands are not tied at the outset with a view to prevent her from making good use of the trade position. The position is that the export of commodities from Burma to India has doubled during the last ten years, whereas Indian exports to Burma have remained at the pre-war level. India takes a total of 48 per cent. of the export trade of Burma, amounting to 14 per cent. of the total Indian imports, while Burma imports from India 42 per cent. of its total imports, though that represents only 5½ per cent. of India's total exports. If therefore Burma taxes Indian commodities going into Burma, our position will be very strong indeed, because the balance of advantage is surely in favour of India. The detailed figures under the main items show that Burma will be seriously affected unless she secures and continues to have the goodwill of India. Under mineral oils her entire exports go to India. Of rice, husked and unhusked, 1,788,914 tons were exported to India and 1,526,589 tons to other foreign countries, while last year under this head, out of two million tons exported, India took over two millions. Of wood and timber India took 124,762 tons, while only 25,000 odd went elsewhere. Of grains, pulse and flour India took 64,021 tons and foreign countries

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only 4,783 tons. Of fresh vegetables India took a bulk valued at Rs. 28·61 lakhs, and foreign countries nothing. Of paraffin and candles India took 2,268 tons. All these are commodities which we can get from other countries as easily as from Burma. That is what I want to emphasize. These are not the monopoly of Burma. And as regards India's exports to Burma, these are negligible, only 5½ per cent. of the total exports of India and we can afford to lose a little if necessary. The Indian exports consist of cotton manufactures, including twists and yarn, manufactured jute, tobacco, grain and pulse, and coal and metals. Of course when you adopt a particular fiscal policy certain trades may have to suffer, but I want to point out that India stands to lose very little. As regards Bengal coal, which Burma takes, it is the cheapest and comes from the nearest possible place. So Burma will always take Bengal coal. As regards jute she cannot but take it. So, out of this 5½ per cent. of our export total only a very small proportion will be affected. I should like to know from the Government of India whether they have taken the views of commercial bodies generally, not only those who may be affected directly, because of course the latter will attach considerably more importance to their own particular interests than the national interest, and are not likely to advocate any course which may mean a loss for them. I hope therefore that if separation has to take place that all interests, commercial and others, will be consulted, because it is not only a question of the trade position but involves many other factors, and it is primarily a matter of safeguarding the life and property of our nationals in Burma. It was asked in the other place whether the Legislature would be consulted on this question of an Indo-Burma Trade Agreement, and the answer was

"Yes, the Assembly will be given an opportunity of expressing its opinion and of discussing it, but we are not prepared to await the approval of the Legislature".

It is indeed a sorry state of affairs when we are not allowed to have our say in a matter affecting the life and death of our nationals in Burma. I therefore do hope the Government should consult the opinion of public bodies, commercial and others, before a decision is taken.

Then I come to the question of safeguards. I reserved it to the last because, as you are aware, I put this matter very clearly before you during the August session and I do not propose to take much time of the House having regard to the fact that I apprised you of all difficulties to which we would be subjected and the present proposals, if adopted, will subject us and would lead to the gradual elimination of all Indians from Burma. Though I have put it in the Resolution and call it a safeguard, it is not a safeguard in the real sense. We are only asking that the present rights of Indians in Burma, the rights which Indians enjoy in Burma today, should not be affected by separation. The other day His Excellency the Viceroy was pleased to assure the Burma delegates that whatever may happen the existing rights of Indians in Burma will not be affected. This is only an individual assurance, I take it, which is given on the part of the Government of India. But I want a further assurance, a statutory assurance in the shape of a provision in the Burma Constitution Act itself that our existing rights will not be invaded by legislative or administrative discrimination. Such safeguards have been given to Europeans not only in the Indian constitution but also in the Burma constitution and I ask what has been done in the case of the United Kingdom British subjects, ships and companies in Burma should be extended to Indians, Indian ships and companies as well. Is it too much for me to ask? It is the barest

safeguard that I am asking and a safeguard which has been considered necessary in the case of the powerful interests of Europeans. The main thing we are concerned about is the free and unrestricted right of entry of Indians into Burma. The United Kingdom British subjects are given that and today Indians are enjoying a free and unrestricted entry. I ask what justification is there to restrict or deny this free right of entry to Indians? It is unnecessary for me to labour this point. It is only an elementary principle that if you want to effect a change you should not invade upon the existing rights of people. They have got it today and we want it to be continued by a statutory provision in the Burma Act.

The other safeguards are dealt with in a detailed manner in my Motion and they relate to the employment of Indians in the public services and to grants-in-aid for our vernacular schools. We want a specific provision in view of the Memorandum of the Secretary of State before the Joint Select Committee. He suggests that the local Legislature after separation should have the power to prevent any alienation of agricultural land from passing on to non-agriculturists. Mind you, it seeks to restrict the alienation not only of agricultural land in the hands of agriculturists, but it seeks to impose a restriction on the transfer of any agricultural land, irrespective of the fact whether it is in the hands today of agriculturists or not. That is a very serious inroad on the right of property. Who would expect the agriculturists to have money, especially in view of the conditions which are likely to prevail after separation to purchase these properties from Indians. The value of these properties will approximate gradually to zero and they will be of no value at all. As regards the other safeguards it is unnecessary for me to emphasize. They are merely bare rights which every minority community under every constitution is given; we ask for that and nothing more.

Sir, it will not be proper on my part to continue my speech any longer and I should be very happy indeed if Honourable Members from various other provinces would take an interest in this matter, because it is an all-India question, though it relates to the position of Indians in Burma, and I appeal to you all to support me in this Motion, which is only asking for bare justice and natural justice and nothing more—a fair deal and no favour.

Sir, with these words, I commend my amendment to your acceptance.

THE HONOURABLE MR. J. B. GLASS (Burma Chamber of Commerce): Sir, the first part of the Honourable Mr. Chari's amendment invites this House to express an opinion on the important question of the separation of Burma. My constituency has never desired, nor does it desire now, to interfere with the free exercise by the people of Burma of their choice between federation and separation, but though the Chamber is left, as the Joint Parliamentary Committee has been, without any clear expression of opinion from the Burma Council, it is perhaps not without significance that my three Burman friends, recently elected to the Legislative Assembly, are separatists.

Hitherto this has been the position taken by the Indian Legislature, and I do not think that this House should accept the invitation of the Honourable Mr. Chari to express any other opinion on that issue.

We, as a Chamber, have always limited our comments to pointing out some of the consequences which might follow in the event of either of these alternatives being adopted.

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While, however, we have scrupulously refrained from expressing an opinion, or from influencing the opinion of the people of Burma on the political aspect of separation we have all along maintained that, if separation is agreed upon, trade relations between India and Burma initially should be regulated by an agreement on the basis of the existing conditions of free trade. We realize that such an agreement cannot necessarily be permanent. It is, however, important, in view of the close association between India and Burma during the last 50 years that violent dislocation should not take place in fiscal relationship between these two countries on separation. We, therefore, advocate that such an agreement should be on a basis of the *status quo*, for a period, say five years, sufficiently long to prevent uncertainty in trade circles and to enable the new Government of Burma to conclude an equitable agreement with the Government of India in consultation with the interests concerned on the basis of a longer period tariff policy. It must be realized that Burma is at present an integral part of the economic unit, which is contained within the present Indian Empire, and that, therefore, any sudden dislocation of that position will have serious consequences to both countries.

There is one other matter which is relevant to the proposed separation of Burma. We feel, and in this we are supported by representatives of most communities, that the new constitution of Burma should not be built upon unsound foundations, such as extra taxation as a measure of budgetary expediency, which would be detrimental to trading interests and a hindrance to trade recovery. I recognize that the Governments concerned are faced with a difficult situation; but it is my duty, as representing commercial interests, to express in clear terms what our own views on these proposals are.

I now turn to the second part of the Honourable Mr. Chari's amendment and here I am able to say that I am in general sympathy with the desire underlying it. As far as the immigration of Indians into Burma is concerned, we take the view that the *status quo* should be maintained, as in the case of the proposed trade convention, until such time as it can be substituted after full enquiry, by regulation on the basis of an agreement between the two countries. I stress the importance of the necessity for an agreement between the two countries, as the interests of immigrant labour, as well as of indigenous labour should be considered.

With regard to the safeguards for Indian commercial interests in Burma in regard to discrimination we feel that our Indian friends are justified in asking for protection. All however, they are anxious to obtain is what we are anxious to obtain, a fair field and no favour. They seek no special advantage any more than we do. They do, however, seek protection against unfair discrimination, and their demands are dictated only by ordinary prudence.

May I also say that we have considerable sympathy with some of the contentions of the Chettiyar community in Burma, and I would observe that paragraph 473 of the Joint Parliamentary Committee's Report is somewhat unfortunate in its reference to this community. We trust therefore that His Majesty's Government will be as sympathetic as possible to the representations they are now making to the Secretary of State.

I regret that I am not able to agree with the third part of my Honourable friend's amendment. The proposal of the Joint Parliamentary Committee is that the Governor General should have a special responsibility to prevent measures which would submit Burmese goods imported into India from Burma to penal treatment. This responsibility will be more explicitly defined in the

Instrument of Instructions, and will be identical with the special responsibility which the Governor is to have in regard to penal treatment by Burma of Indian goods from India (paragraphs 345 and 472). This proposal, however, does not in any way affect the freedom of the new Government of Burma to develop its own fiscal and economic policy, or to negotiate agreements with India or any other country on the basis of tariff concessions. It is only intended to give the Governor General powers in reserve to intervene if any measures are taken which are not in the interests of India, but with the object of injuring the interests of Burma. This similarly applies to the Governor of Burma in connection with India. That some such provision is essential is shown by the fact that in recent debates in another place certain threats were uttered by quite responsible politicians suggesting the possibility of retaliation against Burma after separation. I would further point out that this provision for a special responsibility does not limit the field of responsibility of the ministries, but only gives the Governor General constitutional power, if in his opinion that responsibility has been used not to further the interests of India, but to damage Burma, or *vice versa* similarly the Governor to dissent from his ministers and to withhold his assent to such measures as they may propose in pursuance of that policy.

With regard to the powers which are to be given to the Secretary of State by Order in Council with regard to tariffs, etc., it should be pointed out that the purpose of this proposal has perhaps been misunderstood. The existing Governments of India and Burma have no power to make a trade agreement which will, for all time, bind the future Governments. Therefore, power must be given to His Majesty in Council, as suggested in paragraph 431 of the Joint Parliamentary Committee Report, otherwise all Indian imports into Burma will, after separation, automatically become subject to existing tariffs for foreign goods. In the event of an agreement between India and Burma this provision would be of a temporary nature for the period between the formation of the new Government of Burma and the conclusion of an agreement between that new Government and the Government of India. If, however, the Governments of India and Burma do not come to an agreement (in my view an unlikely contingency), either before or after separation, His Majesty's Government must have power to prescribe some scale of duties as between the two countries, in order to avoid a hopeless dislocation of trade between them to the detriment of the consumer and of commercial interests. This is no derogation of the principle of fiscal autonomy, but is purely a practical piece of machinery designed to assist the relationship between India and Burma during a difficult period of transition, i.e., from one between two provinces of the same political unit, to one between two separate Governments, each with autonomous powers in regard to its fiscal policy.

I repeat, therefore, that I express no opinion on the question of separation. If, however, separation is agreed upon, and the conditions regarding trade relationships, safeguards for Indian and Burmese commerce, and freedom of immigration, on an agreed basis, are granted, I believe that the recommendations of the Joint Parliamentary Committee, based as they are on protracted discussions with representatives from Burma, from the Statutory Commission, through various Round Table Conferences, to their Report, represent a remarkable advance towards Burma's goal of full responsibility, as an integral part of the British Empire.

I am quite aware that the proposals fail in many respects to meet the views of my Chamber and the aspirations of my Burmese and other friends, but the Report definitely faces facts and I sincerely believe that if the proposals are worked in a spirit of good will and with a genuine desire to develop to the fullest

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extent the powers which are now proposed to be given, the peoples of Burma and India will realize the value of the responsibility granted, and will by the establishment of conventions and the wise use of power, render the utilization of the safeguards unnecessary.

I shall not attempt to follow the Honourable Mr. Chari fully into the figures he has quoted but it would perhaps be sufficient to say that 90 per cent. of the Burma exports he refers to consist of rice 42 per cent., oil 35 per cent., timber 10 per cent. India took some 1,700,000 tons of Burma rice last year and the Honourable Mr. Chari surely cannot wish to suggest that he desires to raise prices to the consumer in India by taxation. This trade, I may mention, is handled chiefly by Indians.

This brings us to oil and timber. In regard to oil it has to be remembered that the present excise duty will be substituted by an equivalent import tax after separation. As to timber, this is largely used by Indian railways and an attack on teak also means harming Indian teak millers and interests in Burma.

It has also to be remembered that Burma forms a natural and growing outlet for Indian manufactured goods, and under a policy of discriminating protection, with tariffs against her, she would be unable to compete in Burma with Japan and other countries.

I will not say more on this subject as the whole question is now under discussion between the Governments of India and Burma.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I should like to associate our group with the Motion of the Honourable Mr. Chari. The Burman question illustrates the inutility of the Round Table Conference. Sir, in concluding the Burma Round Table Conference on January 12th, 1932, the Prime Minister made a certain statement and the purport of that statement was this, that the first step was to ascertain whether the people of Burma were prepared to endorse the provisional decision that had been arrived at in regard to separation. For provisionally at the first Round Table Conference it was decided that Burma should be separated. The Prime Minister said that the first step would be to ascertain whether the people of Burma desired separation, and in order to enable them to take a decision on this matter, they would have all the material before them—that is to say, they would be made aware of the general character of the constitution that was proposed for Burma and also of the financial consequences of separation of Burma from India. Now, Sir, on the basis of this declaration, there was a general election held in which the direct issue was separation or no separation. What was the result of that election? The result of the election was that the separationists were defeated at the polls. By an overwhelming majority of votes, the electorate decided in favour of the continuance of Burma with India. The separationists secured 270,000 votes and the anti-separationists secured about 500,000 votes. Therefore, the voting was nearly two to one. Now, Sir, after this victory of the anti-separationists, the Burma Council met, and what happened? A Motion in favour of separation was moved by the Leader of the Separation Party in the Burma Council, and that Resolution was defeated by the Burma Legislative Council, though subsequently, it is true, that that very Council passed another Resolution accepting separation. But, as a matter of fact, both voted against separation on the basis of the Prime Minister's announcement. In this connection, it is of interest to note that another Resolution was moved and carried

in the same session of the Burma Legislative Council to the effect that Burma shall separate on certain conditions only. This was used by the separationists as a weapon against the anti-separationists to counteract their defeat at the poll and in the Legislative Council.

Then, Sir, the Government thought fit to call upon the Council to declare its mind once more on the question of separation *versus* federation. A special session was held in April, or May, 1934? But, Sir, the separation issue was not considered because of the tactics of the separationists. They used obstructionist tactics and it was impossible on account of these tactics for the issue to be considered by the Council, and therefore the Council was brought to an end without the Council having reached any conclusion on the issue.

Now, Sir, before the Joint Parliamentary Committee, the Archbishop of Canterbury put certain questions to the leader of the Burma Delegation, and what was the answer of the leader of the Burma Delegation? This is the answer.

"If our choice is limited to separation on the basis of the Prime Minister's proposed constitution and entering into the Indian federation on the same terms as the other Indian provinces, we unhesitatingly choose the federal alternative as in keeping with the clear mandate we have obtained from the country".

This is a very clear statement. The position, as I understand it, is that the Burmese do not feel satisfied with the constitution that has been recommended or suggested for them by the Joint Select Committee, and therefore they are not, on the basis of that constitution, prepared to secede from India. I know, Sir, that in the original statement which the Prime Minister made at the first Round Table Conference, the Prime Minister said that Burma cannot have it both ways; she cannot separate and not separate; if she wants to enter the Indian federation, she must continue to remain a part of the Indian federation; she must decide to remain in the Indian federation with open eyes. But, Sir, putting the case at its highest, it cannot be said that Burma is now desirous of separating from India. The nature of the constitution which has been proposed for Burma is such that Burma thinks that she will be best consulting her own interests by remaining with India. If that is the position, we can only oppose the separation of Burma. I wish this question really to be settled by the Burmans themselves. I am not an Indian imperialist. I want self-determination for my country, and I am prepared to concede that right to the Burmans also. Burman interests must have precedence over all other interests. They must be paramount. But, Sir, after examining the history of this question, one is forced to the conclusion that there has been no free vote on this question in Burma and that there has been a great deal of manipulation in regard to this matter in Burma. Therefore, Sir, we are entitled to say that having regard to the results of the election, in so far as Burman opinion has expressed itself it has expressed itself against separation. Sir, attempts have been made to prove that the separation of Burma from India would be financially advantageous to Burma. Now, Sir, I just wish to say that the figures based in this matter on the Howard-Nixon Memorandum cannot be accepted as precise, both because on several items the authors of the note were unable to agree and also because the figures on which these estimates are based are some years old and therefore out of date. Assuming that Burma is going to be separated, what of the future? It is suggested that there should be a trade agreement between India and Burma on the basis of free trade. Burma cannot have it both ways. If she is to be separated, then the trade agreement must follow, and not precede, separation. I do not say that a trade agreement will not be mutually advantageous to both. But

[MR. P. N. Saprū.]

the trade agreement must follow separation, and not precede separation. We do not wish our export trade with Burma to be affected. We wish to retain the right to levy such duties as we may choose to levy upon Burman goods. We have a large export and import trade with Burma and I do not see why we should fetter our fiscal autonomy at all just in order to enable Burma to separate herself from us. If there is to be a trade agreement, let there be a trade agreement after the issue of separation has been decided, and let India's fiscal autonomy in this respect not be fettered in any manner whatever. That is our position and I think it is a perfectly consistent and honourable position for us to take.

Then, Sir, it is also pertinent for us to inquire what will be Burma's international status after she has been separated from India. At present Burma is represented at the League of Nations because she is a part of India and India is represented on the League of Nations. Will Burma, after she is separated, be permitted to become a member of the League of Nations? Will she have any representation on the League of Nations or not?

Then there is the question of free entry of Indians into Burma. Sir, at the first Round Table Conference the sub-committee especially stressed the importance of there being no discrimination as regards Indians entering Burma. Now, Sir, as far as I know, the position now is that there will be no discrimination so far as Britishers are concerned, but so far as Indians are concerned that is not going to be the position, and what we say is this. We have also helped to build up Burma. If Britishers have helped to build up Burma, we have also helped. Indian labour and Indian capital have had some share in the building up of Burma, and you must not in this matter discriminate between Indian labour and British labour; you must not in this matter discriminate between Indian capital and British capital. Therefore, Sir, if the Britisher is going to have the right of free entry into Burma we see no reason why we who are close neighbours of Burma, who have cultural affinities with Burma, who have more interests in Burma than temporary sojourners there, why we should not have also the right of free entry into Burma?

Then, Sir, so far as other safeguards are concerned, they were prominently placed before this Council by the Honourable Mr. Chari in a Resolution which he moved at the last session of the Council of State, and our group stands by the Honourable Mr. Chari's Resolution. Therefore I would conclude by saying this. Let there be a free decision on this question of the separation of Burma. If Burma wishes to separate let her do so, but let her do so with open eyes. But if she is separated from us we cannot bind ourselves in advance by any trade agreements which may hamper our trade development because we must primarily look to our own interests in this matter.

Sir, with these words I give my cordial support to the amendment of the Honourable Mr. Chari.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham-madan) : Mr. President, the subject-matter of the debate is about the effect which the future constitution will have as regards Burma. In considering the first part of the Motion of the Honourable Mr. Chari I think it is necessary that we should look at this from two points of view, firstly, from the point of view of Burmans, and secondly, from the point of view of Indians, because we two are the parties who up till now have been united and who are now to be separated. The two Members who have preceded me, Sir, have amply shown

* Speech not corrected by the Honourable Member.

that the opinion of Burma on this question is not in favour of separation. If anything, it is overwhelmingly in favour of continuation of the federation. If it is necessary to get a more definite opinion, it is open to the Secretary of State to call for a new election or, better still, have a referendum on the specific issue of acceptance of the proposed Burma White Paper scheme or of the position of a province under the Indian federation. These are the two issues which ought to be placed before the Burman people, and India will not grudge Burmans the right to decide their own fate. Sir, it is not without precedent. In the Philippine Islands the United States of America have just decided to abide by the decision of the people, and it would not be a bad principle if the other Anglo-Saxon race followed the same procedure.

THE HONOURABLE THE PRESIDENT : That is after the expiration of ten years, not immediately?

THE HONOURABLE MR. HOSSAIN IMAM : But the present experimental proposals do not in any way bar the future Philippine constitution from giving a definite opinion, either for separation or for continuation with the United States. What they have done now is to bring in a constitution which gives partial autonomy and a basis for certain development, and the free transit of goods has been stopped.

Mr. President, I have here to tell my Burman friends that it is in their interest that they should continue with Indian India, and I will cite to them the reasons for this proposition of mine. It is a well-known proposition that united we stand and divided we fall. We have seen how other parts of the British Empire are now being treated. Are they being offered a constitution better than that of India, however bad it might be? Have they any prospect of attaining dominion status in any other part of the British dependencies? The reply is "No". It is only because India is too big a proposition to keep in subjection that England thinks it is better to have its goodwill. If Burma is separated it will not have the same amount of force behind it which it can have while united with India. Sir, what will be the logical conclusion of separation? The logical conclusion of separation will be that at the present moment, while we and they both are under subjection, we might be forced to have any sort of agreement which might be thrust on us. But a time will come when India will have the power of retaliation, and if the Burmans separate from us and ill-treat our nationals, we can bring their trade to a standstill. It is known, Sir, that although we export only less than Rs. 10 crores worth of goods to Burma—in the last financial year we exported Rs. 9.39 crores worth—the imports into India from Burma amounted to Rs. 24.26 crores. So that they have a favourable balance of trade against India to the value of Rs. 15 crores. It is that enormous trade which is coming into India duty free, it is that advantage which they have to weigh in the balance and to decide whether it is a bigger advantage than fending for themselves as a separate entity will confer. Mr. President, the logical result of separation will be that we will not look upon Burmans as a part of us, with the result that they will have to fight their battles alone and they can best estimate their prospects of success. Burma we are told is a united country, with no racial distinctions, castes or communities. But, Sir, there are communities there of different races; and what is more nearly half of Burma is outside the scope of the reforms. The total area of Burma is about—

THE HONOURABLE MR. P. C. D. CHARI : The Report says it is one-half.

THE HONOURABLE MR. HOSSAIN IMAM: Half is an excluded area. In that area Englishmen are going to have their sway without any hindrance. That is the main reason why Burma is being separated. It is to form a colony for the surplus population from the home country and it is because of that we are being debarred free right of entry. As it is India is sufficiently troubled about her surplus population and only the other day we had a discussion on the vexed question of treatment of Indians in the Colonies. We asked for bread and we are getting stone from the Government.

Sir, I wish Government to enlighten the House on one point. All the records that I can lay my hands on do not give the information. I want to know what will be the financial effect of the separation. The Report has treated this matter rather cursorily in one paragraph of theirs. They have given the result of separation of Burma as involving a reduction in India's revenue of Rs. 3½ crores. In paragraph 267 they say:

"The revenues of India will suffer a loss estimated to be possibly as much as Rs. 3 crores per annum, less the yield of any revenue duties on import from Burma which may be introduced from the date of separation".

I wonder on what they base this estimate? From the papers that I have with me I find that the income from customs at Rangoon was Rs. 4½ crores in 1932-33 and Rs. 3½ crores in 1933-34. Add to this the income from railways and from the salt duties. That means a loss to Indian revenues of more than Rs. 5 crores. We do not find either in the Report or other Government paper what relief in defence expenditure we are to get if Burma is separated. It is a strange proposition that when it comes to the distribution of assets of the currency department or when it comes to the allocation of unallotted unproductive debts, the proportion of Burma is fixed at 10·5 per cent., but when it comes to paying to India that proposition is forgotten altogether. Where Burma is to receive she must receive 10·5 per cent. Where Burma is to give, there is no proportion fixed. In the Memorandum on Financial Questions arising out of the proposed separation the two Commissioners did not come to any agreement and the Government of India has not made any statement up till now as to what has been finally decided in the matter. This paper, although marked confidential, is public property and was published in 1931 and we do not know what the intention is. Everywhere we are told that so far as defence is concerned, the Military Department and the Commander-in-Chief have the final say. In this connection what will be the debitable expenditure from India? No military authority or any other authority has made any statement. We find that the Finance Department have been asked to estimate what will be the strength of the army required. In paragraph 117 they say that an extra British battalion will be required involving an additional expenditure of Rs. 25·8 lakhs. We are not even told whether that extra battalion will come from the Indian army of occupation or whether it will be drawn from the Home establishment. It is only right that if Burma is to be separated from us and she is to receive 10·5 per cent. of the assets of the currency and other departments, she should also shoulder 10·5 per cent. of the military expenditure and the requisite personnel, preferably British personnel, should be transferred to the Burma Government.

Mr. President, as regards the effect of the separation on the revenues of Burma, it is surprising on what they have based their estimates. We are told that they will have all the advantages of the customs, income-tax and

salt duty and Burma would require to tax exports from India to her own country. The estimate which has been given in this Memorandum says that Burma will have to pay interest charges of Rs. 2½ crores, out of which Rs. 1·56 crores are due to the transfer to them of the Burma Railways; and here I have got the report of the Burma Railways. The Burma Railways are paying their way. They are not a deficit proposition. They only become a deficit proposition if we make the deduction for depreciation fund at the allotted rate. You know well, Mr. President, no railway in the world is paying its way, paying full interest charges as well as making provision at the customary rate for depreciation, so that out of the Rs. 2½ crores of additional expenditure in payment of interest which Burma will have to shoulder she will be getting Rs. 1½ crores from the railways itself; while in exchange for the Rs. 1 crore which she will have to pay for unallotted assets we will have to make good either from the currency department or Burma will be entitled to get the assets of the currency department in the proportion of 21 per cent. gold, 30 per cent. sterling security, 11 per cent. Indian security and 38 per cent. silver. These assets when transferred to Burma will bring in their own revenue; they are likely to get Rs. 5 crores of additional income due to the transfer to them of the customs and income-tax department and the additional expenditure they will have to meet will not exceed more than Rs. 2 crores. Still they will be better off by Rs. 3 crores. The idea underlying the separation scheme is to make entry of things free in Burma and thereby bring the customs revenue to vanishing point. The idea is to decrease income-tax as much as they possibly can in the higher limits.

THE HONOURABLE THE PRESIDENT: Will you please conclude your remarks.

THE HONOURABLE MR. HOSSAIN IMAM: I will not take more than two minutes. Sir, big merchants, Britishers, who are established in Burma may have an easy way. It is simply to exploit Burma in the interests of Britain that this scheme of separation is brought forward; our Burman friends are blind to the realities of the situation and they will in the near future rue the day. Sir, this Resolution refers practically to a Resolution which was moved by the Honourable Mr. Chari in the House and I regret to find, Sir, how greatly Government has fallen from its pedestal on which it stood on that date. Let me quote, Sir, what the Honourable the Leader of the House said on the 15th August:

"In all these reforms Resolutions, Government have adopted a definite policy, that is to say, the non-official section of the House is free to express such opinion as it likes on all reform proposals. Therefore, in conformity with that policy, official Members of the Council will not take part in the voting and the House is free to come to such conclusions as it likes on the Resolution itself".

I wish, Sir, the Government had stuck to that clear-cut policy and not intervened in the voting to load the dice in favour of the proposition for which they are not free voters.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Motion moved by my Honourable friend, Mr. Chari. Most of the ground has been covered by the speakers who preceded me and they have left little for me to say. Sir, this has been established that the new constitution is forcing Burma to separate from India. I understand, Sir, that even the Burma Legislative Council did not like the

[Rai Bahadur Lala Ram Saran Das.]

idea of separation. The new constitution which has been offered by the Government to Burma, on that constitution even the separationists refused to have the separation. If I rightly understand, the three Burman representatives to the Assembly have published their opinion that under the new constitution they are not in favour of separation. Burmans in their recent electoral campaign have also indicated that Burma does not like to separate from India. Sir, about one million Indians live in Burma. Most of them have settled there and it is also a fact that Burma owes its present development to untiring efforts of Europeans and Indians. In case both these had not worked there you could not have Burma as prosperous and developed as it is today.

My friend, the Honourable Mr. Hossain Imam, has given you the figures of export from India to Burma. I will now give for the information of this House some figures of the exports from Burma to India which will show whether India is a big buyer of Burman produce or not. Take mineral oils. I will give you the figures for the year 1933-34. In that year 715,830 tons of mineral oils were exported to India, while not even an ounce of mineral oil was exported to any foreign country. As regards rice and other things, I need not waste the time of the Council at this stage. The figures will prove that India has been the biggest buyer of Burma produce among all the countries of the world. Sir, when Indians have greatly helped in the development of Burma there seems no reason why they should be differentially treated. From what we see in the new constitution, these one million Indians have been allotted only two additional seats; while other people, take the case of Anglo-Indians, whose population in Burma is only 19,200, have been given two additional seats. And, Sir, the Karens minority have been given 12 places instead of five Indians who have been there and have played a prominent part in the country's commercial and industrial uplift of Burma. Is that the right way to treat them? Why should they not have representation according to their importance and according to their population in the country?

Sir, we see the various disabilities to which Indians will be put in Burma after the separation. The most vexed questions are restrictions on the right of free entry. When non-Indians will be allowed a free entry without any restriction why should Indians be treated differentially? Sir, where is protection for Indian trade and banking? It is with great regret that we note that the Joint Select Committee have divided one million in Burma into three categories—(1) government servants, (2) money-lenders, and (3) labour. Why, Sir, have merchants and professional men not been differentiated? Are they not really developing the country? Have not these people given all sorts of facilities to Burmans and, along with their European brethren, coached them in the crafts, industries and trades. Therefore, Sir, when the bulk of Burmans do not want separation and if I am right that even the Government of India does not want it, and even the Governor of Burma is against separation (if I am wrong, the Honourable the Leader will put me right), I cannot understand why separation is being forced upon Burma?

I will not take up more of the time of the House, Sir, but I would urge upon this Council that when the circumstances are such, they ought not to vote in favour of the separation of Burma. In case Burma is to be separated and as the Honourable the Leader of the House a little while ago told us that we are helpless and that our efforts will not be of any great value in making

Parliament to come to any correct conclusion, I would say that the rights and protection which India deserves should be given.

With these words, Sir, I support the Motion.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I would take up only a very little time of the House in explaining what I conceive has been a misunderstanding on the part of several of the speakers today. That misunderstanding has, I suggest, been caused by the wording of paragraph 2 of the Honourable Mr. Chari's amendment. The last part of it expresses a regret that the Resolution of this House was ignored in the framing of the Joint Parliamentary Committee Report, and it gives the impression that the Joint Parliamentary Committee has entirely ignored the recommendations that were made in respect of safeguards for Indians in their professional and industrial and commercial capacities in Burma, for Indian shipping and for Indian companies.

Now, in paragraph 472 of the Report, the Committee say that Indians should be afforded in Burma generally the same measure of protection in regard to their business avocations and commercial undertakings as have been recommended for United Kingdom subjects. Now it may be that the Honourable Mr. Chari and other Members have failed to realize what were the implications of those recommendations. I can assist them to an understanding of them; if they will look to clause 340 and the following clauses of the draft Bill they will find that in respect of professions and avocations, in respect of Indian companies, in respect of Indian shipping, in respect of the enjoyment of subsidies and bounties, British subjects domiciled in India and Indian companies enjoy the same privileges as British companies and British individuals domiciled in the United Kingdom. I trust that that matter has been cleared up.

Mr. Chari is again opposed to the special responsibility which is imposed on the Governor General to prevent penal tariff treatment against goods imported into India from Burma. The reason he gave for his desire to remove this so-called objectionable feature is that once a trade agreement had been arrived at, this provision would prevent the Governor General from allowing any change to be made thereafter. I think the Honourable Mr. Chari has entirely ignored the recommended definition of what should be considered to be penal discrimination, which is contained in paragraph 345 of the Report.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Before concluding the Indo-Burma Trade Agreement, will the Government take into its confidence the Legislature and the various commercial bodies?

THE HONOURABLE MR. T. A. STEWART: I suggest to the Honourable Member that that question is hardly relevant to what I was saying. The suggested definition of "commercial discrimination" is contained in the words

"That it will be the duty of the Governor General to intervene in tariff policy and the negotiation or variation of tariff agreements only if in his opinion the intention of the policy contemplated is to subject trade between"—I change the words " between India and Burma to restrictions conceived not in the economic interests of India but with the object of injuring the interests of Burma."

THE HONOURABLE MR. P. C. D. CHARI: I want to protect not only the economic interests but also the political interests and the interests of life and property of Indians in Burma.

THE HONOURABLE MR. T. A. STEWART: I understood the Honourable Mr. Chari to say that this provision would prevent the Governor General from allowing any change. If, in his Instrument of Instructions, that definition of "commercial discrimination" is included, it will be impossible for the situation contemplated by the Honourable Mr. Chari to arise.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House): Sir, all I can say is that the interests of Indians in Burma have been most carefully watched by different departments of the Government of India, and nothing that any one entrusted with the duty of protecting them could have done, has been left undone by me and by my colleagues. I can assure the House that at every stage of this difficult matter, we have done our best to protect Indian interests and to promote them. We may have achieved some success—according to some, a good deal of success; according to others we may have failed to achieve all the success we desired or deserved. But then, such are the affairs of the world that one can never feel absolutely satisfied at the objectives gained.

A good deal has been said about voting and so on. After all, what does that matter? I have been told that last year I said, "We will not vote", and I have been asked why we want to vote now. The reason is obvious. Last year the proposals were at the stage of proposals. We were revolving in our minds as to what conclusions to reach. We have travelled a good deal since then, and that is the reason why the position today is not the same as what it was at that time. Still, it makes no difference. Decisions have been reached. The alterations that can be made now are few and far between, and the expressions of opinion are bound to be valuable if there is anything in them.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That to the Motion before the Council, the following be added, namely:—

1. That this Council is opposed to the separation of Burma in the near future and on the basis of the present constitution.

2. This Council reiterates the recommendations made by it by a Resolution passed on the 15th August as regards the free and unrestricted entry of Indians into Burma after separation and as regards safeguards for the Indians, Indian shipping and Indian companies on the same footing as United Kingdom British subjects ships and companies in a separated Burma and this Council regrets very much that the Resolution of this House was ignored in making the Report.

3. This Council is strongly opposed to the recommendations of the Parliamentary Committee in regard to the Governor General's special responsibility with regard to the tariffs on commodities of Burmese origin and to the powers proposed to be given to the Secretary of State to regulate, direct and fix the export and import duties on goods exported from India to Burma or imported into India from Burma after separation and resents the recommendations as a serious inroad into the fiscal autonomy convention for India."

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I beg to request you, Sir, to kindly put these three parts separately, so that we may be able to vote on each of them.

THE HONOURABLE THE PRESIDENT: The Question is:

"That part 1 of the amendment be added."

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: The Question is:

"That part 2 of the amendment be added."

THE HONOURABLE DEWAN BAHADUR NARAYANASWAMI CHETTY: And the division on part 1, Sir?

THE HONOURABLE THE PRESIDENT: A division was not called for. Who asked for the division?

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Somebody asked.

THE HONOURABLE THE PRESIDENT: An Honourable Member must get up and make a proper request to the Chair in an audible manner.

The Question is:

"That part 2 of the amendment be added."

The Council divided:

AYES—14.

Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Srijut Heramba Prosad.
Chari, The Honourable Mr. P. C. D.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Devadoss, The Honourable Sir David.
Ghazanfar Ali Khan, The Honourable Raja.
Gounder, The Honourable Mr. V. C. Vellingiri.

Hossain Imam, The Honourable Mr.
Khaparde, The Honourable Mr. G. S.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Mitha, The Honourable Sir Suleman Cassim Haji.
Ram Saran Dass, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.
Yamin Khan, The Honourable Mr. Mohammad.

NOES—22.

Basu, The Honourable Mr. Bijay Kumar.
Charanjit Singh, The Honourable Raja.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghosal, The Honourable Mr. Jyotsnath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Johnson, The Honourable Mr. J. N. G.
Miller, The Honourable Mr. E.

Mitchell, The Honourable Mr. D. G.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Philip, The Honourable Mr. C. L.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Suhrawardy, The Honourable Mr. Mahmood.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: The Question is:

"That part 3 of the amendment be added."

The Council divided :

AYES—11.

Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Srijut Heramba Prosad.
Chari, The Honourable Mr. P. C. D.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Devadoss, The Honourable Sir David.
Gounder, The Honourable Mr. V. C. Vellingiri.

Hossain Imam, The Honourable Mr. Khaparde, The Honourable Mr. G. S. Menon, The Honourable Diwan Bahadur Sir Ramunni.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.

NOES—25.

Basu, The Honourable Mr. Bijay Kumar. Charanjit Singh, The Honourable Raja. Choksy, The Honourable Khan Bahadur Dr. Sir Nasarwanji.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghazanfar Ali Khan, The Honourable Raja.
Ghosal, The Honourable Mr. Jyotsnath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Johnson, The Honourable Mr. J. N. G.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.

Mitha, The Honourable Sir Suleman Cassim Haji.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Philip, The Honourable Mr. C. L.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. E. W.
Stewart, The Honourable Mr. T. A.
Suhrawardy, The Honourable Mr. Mahmood.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: I will now put as a substantive Motion both the amendments which have been separately passed by the Council :

“That this Council is of opinion that though the Report of the Joint Parliamentary Committee falls far short of the aspirations of the political parties in India and does not accept some of the demands put by the Indian Delegation to the Round Table Conference, the constitution proposed under the scheme of the Report is a great advance on the present constitution and will be given a fair trial in working by the people of India.

“This Council accepts the Communal Award so far as it goes until a substitute is agreed upon by the various communities concerned”.

The Question is :

“That this Motion be made.”

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Saturday, the 16th February, 1935.

COUNCIL OF STATE.

Saturday, 16th February, 1935.

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

QUESTIONS AND ANSWERS.

IMPORTS OF RICE INTO INDIA.

31. THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Will Government be pleased to state :

(i) The quantity of rice imported into this country from Siam, Indo-China and other places during the previous year, as compared with the figure for 1933 ?

(ii) The steps taken by them to prevent such import of rice ?

(iii) The action taken by them on the representation made by the Government of Madras in this matter ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:

(i) A statement is laid on the table.

(ii) and (iii). The matter is under the consideration of Government.

Imports of rice into British India.

From	1933.	1934.
	(Tons.)	(Tons.)
Siam	21,625	2,80,856
Indo-China	12,579	1,07,849
Other countries	218	6,769
Total	34,412	3,95,474

RECOMMENDATION OF THE INDIAN JAILS COMMITTEE RELATING TO JAIL LIBRARIES.

32. THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Will Government be pleased to state :

(i) What action has been taken by them on the recommendation of the Indian Jails Committee that “the jails should contain a supply of books suitable for prisoners who can read” (*vide* paragraph 274 of the Report) ?

(ii) Whether Government have circularized the local Governments drawing their attention to the necessity for improving and equipping jail

libraries with suitable books and setting apart necessary funds from provincial revenues for the purpose?

THE HONOURABLE MR. M. G. HALLETT: (i) I lay a statement on the table showing the action taken by the local Governments and Administrations on the recommendation of the Indian Jails Committee regarding jail libraries.

(ii) Yes.

Statement showing the action taken on the recommendation of the Indian Jails Committee regarding the jail libraries.

Province.	Action taken.
Madras	Libraries have been provided in all jails. A committee was appointed in 1932 to examine the conditions of jail libraries but it has not been found possible to give effect to its recommendations owing to present financial conditions.
Bombay	Libraries have been provided in all jails; magic lantern lectures are also given in larger jails and Borstal schools.
Bengal	Libraries have been provided in all central jails. There are no regular libraries in district jails but in a few jails a small stock of books is kept and books are also allowed to the prisoners from outside.
United Provinces	All jails have been provided with libraries and necessary budget allotment is made for their maintenance.
Punjab	Libraries have been provided in all jails in the Punjab.
Burma	Libraries exist in all jails, and facilities for reading are allowed to educated Burman and Indian prisoners.
Bihar and Orissa	Small libraries have been provided in all central and in some district jails.
Central Provinces	Libraries have been provided in all central and large district jails. Approved periodicals are also allowed and in one central jail lectures are given regularly.
Assam	Libraries have been provided in all jails.
North-West Frontier Province	General libraries of approved books were provided in 1932. A and B class prisoners are also allowed magazines and papers.
Coorg	There is no jail library as only very short term prisoners are kept in the Coorg jail.
Delhi	A library has been provided in the Delhi district jail.
Andamans	There is a library in the cellular jail, Port Blair, for the use of literate prisoners. It has been improved to meet the requirements of the terrorist prisoners.

CORRESPONDENCE OF DETENUS IN THE DEOLI CAMP JAIL.

33. THE HONOURABLE MR. MAHMOOD SUHRAWARDY (on behalf of the Honourable Mr. P. N. Sapru): (a) What is the total number of detenus in the Deoli Camp?

(b) Are these detenus allowed to correspond with their relatives and friends and if so, under what conditions?

(c) Is Dharendra Chandra Mukerji one of the detenus in that Camp?

(d) Have any restrictions been placed upon his correspondence with his family?

(e) Is it a fact that he has not been permitted to write letters to members of his family?

(f) Is it a fact that a letter sent by his brother, J. C. Mukerji, an advocate of the Allahabad High Court, enquiring about his welfare was not replied to by the Superintendent of the Deoli Camp?

(g) Is there any rule requiring authorities in charge of the Camp not to inform relatives of the welfare of detenus on whose own correspondence restrictions have been placed?

THE HONOURABLE MR. M. G. HALLETT: (a) 497.

(b) Detenus are permitted to write three letters a week and there is no restriction on the number of letters they may receive. The Honourable Member's attention is invited to rule 7 of the Bengal Detenus Custody Rules published by the Chief Commissioner, Ajmer-Merwara, in his notification dated the 6th May, 1932 which appeared in Part II-A of the Gazette of India, dated the 6th May, 1932.

(c) Yes.

(d) to (g). No.

BAN ON MR. GANDHI'S VISIT TO THE NORTH-WEST FRONTIER PROVINCE.

34. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: (a) Is it a fact that Mahatma Gandhi has practically retired from politics and turned his attention to economic and rural uplift of the village population?

(b) If the answer to part (a) is in the affirmative, what are the reasons for putting a ban on his visit to the Frontier Province?

THE HONOURABLE MR. M. G. HALLETT: (a) and (b), I would refer the Honourable Member to the correspondence between the Private Secretary to His Excellency the Viceroy and Mr. Gandhi on the subject which appeared in the press in December, 1934. I may add that that correspondence took place after Mr. Gandhi announced his decision to retire from the Congress.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: A supplementary question, Sir. May we understand that Government is still under the opinion that he is not taking part in politics or he is taking part in politics? What is the opinion of the Government at present?

THE HONOURABLE THE PRESIDENT: That is a mere matter of opinion and I will not allow the question.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I wanted to know the opinion of the Government.

THE HONOURABLE THE PRESIDENT: I will not allow the question.

EXCISE DUTY ON SUGAR.

35. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: (a) Will Government be pleased to state how much has been realized from the excise duty on sugar up to 31st January, 1935?

(b) Will Government be pleased to state the amount realized from the co-operative sugar factories in excise duty specifying separately the amounts received on those working on (i) vacuum pan system, (ii) open pan system?

(c) How many co-operative sugar factories are working on the vacuum pan system in India?

(d) What is their number in each province, and their capacity?

THE HONOURABLE MR. P. C. TALLENTS: (a) Rs. 55,04,000.

(b) Information has been called for and will be laid on the table of the House in due course.

(c) Six.

(d) A statement is laid on the table.

Statement showing the number of co-operative sugar factories working on vacuum pan system in different provinces and their capacity.

Province.	No. of factories.	Capacity (cane crushed per day).
Madras	4	Two have a capacity of 50 tons each and of the other two (which have not commenced working yet) one has a crushing capacity of 150 and the other 1,000 tons.
United Provinces	1	150 tons.
Bombay	1	300 tons.

FACTORS TAKEN INTO CONSIDERATION WHEN GRANTING HONORARY KING'S COMMISSIONS TO VICEROY'S COMMISSIONED OFFICERS.

36. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Will Government be pleased to state what factors are taken into consideration when a Viceroy's commissioned officer is given an honorary King's commission?

(b) Is it a fact that marks are given for length of service and that this is one of the bases upon which honorary King's commissions are bestowed? If so, how do Government meet the case of young men recruited on direct commission who are promoted to the rank of subedar-major after putting in a comparatively short service and according to rules retire after holding the post of a subedar-major for five years?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b). Selections are made according to merit regardless of whether an individual received the Viceroy's commission direct or by promotion from the ranks.

There is no system of marking.

RESULT OF DISCUSSION ON THE AMENDMENT OF MR. JINNAH TO THE RESOLUTION ON THE JOINT PARLIAMENTARY COMMITTEE'S REPORT.

37. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: (a) Will Government be pleased to state if the information of the def at of the Government in the Assembly upon Mr. Jinnah's amendment on the Joint Parliamentary Committee's Report has been sent to the Secretary of State and announced in the House of Commons during the debate?

(b) If the answer to (a) is in the negative, what were the reasons for withholding the information at the moment it was required in connection with the debate in the House of Commons?

(c) If the answer to (a) is in the affirmative what was the text of the cable?

THE HONOURABLE MR. M. G. HALLETT: (a) The Secretary of State was informed of the results of the discussion in the Assembly on the Joint Parliamentary Committee's Report, viz., that the amendment moved by the Leader of the Congress Party recommending to the Governor General in Council to advise His Majesty's Government not to proceed with any such legislation was defeated by 72 votes to 61, that the second amendment moved by the Leader of the Congress Party regarding the Communal Award was defeated by 84 votes to 44, that Mr. Jinnah's first amendment advocating acceptance of the Communal Award was carried by 68 votes to 15 and that the other two portions of Mr. Jinnah's amendment dealing with provincial autonomy and federation were carried by 74 votes to 58.

I am unable to say definitely whether or how the result was announced in the House of Commons, but from the newspaper reports of the recent debate in the House of Commons it appears that the members were fully aware of the result.

(b) Does not arise.

(c) I am unable to lay the text on the table.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know what is the secrecy in not laying on the table of the members the text of the telegram sent to the Secretary of State on this point?

THE HONOURABLE THE PRESIDENT: That is a mere argument and I will not allow the question.

THE HONOURABLE THE PRESIDENT: Honourable Mr. Banerjee, you had asked for my permission to allow the Honourable Mr. Khaparde to move the identical Resolution* which stands lower in the list and I have given you

* "That this Council recommends to the Governor General in Council that a mixed committee of officials and non-officials be appointed to enquire into the working of the Government of India Presses and State Railway Presses with special reference to—

- (i) the amount and nature of work done;
- (ii) the working conditions prevailing in these presses;
- (iii) leave, holidays pay and pensions granted to the workers, and
- (iv) how far the printing machinery introduced in the presses during the last 15 years has affected the workers in regard to the number employed and their earnings."

[The President.]

the necessary permission. I do not find the Honourable Mr. Khaparde here. What do you propose doing? Do you wish to move the Resolution or not?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : I do not wish to move it, Sir.

THE HONOURABLE THE PRESIDENT : Will you please say you withdraw it?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Sir, I withdraw it.

THE HONOURABLE THE PRESIDENT : The Honourable Mr. Hossain Imam.

(The Honourable Member was absent.)

RESOLUTION RE EXEMPTION OF SUGAR FACTORIES ESTABLISHED ON CO-OPERATIVE LINES FROM THE EXCISE DUTY.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, I beg to move :

"This Council recommends to the Governor General in Council to exempt sugar factories established on co-operative lines from the excise duty."

Sir, the underlying idea of the protection given to the sugar industry was based on two broad principles, firstly, to develop indigenous industry in the country so as to stop the import of sugar—to make India self-contained so far as the consumption of this commodity was concerned—and secondly, it was also meant to benefit the agriculturist, because the sugarcane crop is one of the most paying crops of the country at present. Sir, both the results expected by the protection have been fulfilled. That is, a large number of sugar factories have grown up in a very short time and the people of this country have invested crores of rupees in the industry on the expectation that protection has been given to this industry. Similarly, Sir, when there was a large consumption and demand for sugarcane, the sugarcane area also developed largely year by year. With your permission, Sir, I will just place before the Council the figures so far available relating to the development of the sugarcane area from 1923-24 to 1932-33. In 1923-24 the sugarcane area of the improved variety of cane was 60,604 acres, in 1924-25 it was 75,334 acres, in 1925-26 it was 171,808 acres; in 1926-27 it developed to 207,989 acres; in 1927-28 it still increased to 268,688 acres; in 1928-29 it went up to 301,098 acres; in 1929-30 it developed to 549,025 acres; in 1930-31 it jumped to 817,094 acres; in 1931-32 it made a bigger jump and went to 1,170,479; and in 1932-33 it went up to 1,814,388 acres. So, Sir, both the underlying principles of the Protection Act were fulfilled. But an unfortunate event happened last year in putting the excise duty and this, I am afraid, will retard the progress that was being made year by year. We have not yet got figures of this year, therefore we cannot judge correctly what is the position. Sir, the protection given to the sugar industry was not all at once. It was gradual.

That is, the Protection Act of 1932 was based upon certain facts and figures and was developed gradually until it came to the figure of Rs. 7-4-0 per cwt. But, Sir, another drawback has come with the levying of an excise duty on this industry by which the capitalists are greatly frightened and it is this, that Java has been dumping sugar much in excess since this Act of 1932 than what it was doing. It has also, Sir, reduced the price enormously to compete with Indian sugar so that they may be put to loss. At the time when this protection was given, the Tariff Board put the fair selling price of Java sugar at Calcutta at Rs. 4 but now, Sir, it has been reduced greatly and the present selling price of Java sugar at Calcutta is Rs. 3-6-1 per maund while at Bombay it is Rs. 3-4-9 per maund. So, Sir, with this reduction in price the industry is greatly in danger of loss and therefore the people have sent representations to the Government to give effect to section 4 of the Act and increase the duty by executive order by 8 annas per cwt. Now, Sir, this is the condition of the sugar factories in India in general. But the condition of the sugar factories working on co-operative lines is quite different and much more serious. I am this morning pleading the cause of those factories which have been established on co-operative lines. These factories, Sir, are quite different from the factories established by the capitalists on a joint stock basis. The object of the factories established on co-operative lines is to give benefit to the cane-growers as much as possible and the ultimate goal of these factories is that they may be entirely transferred into the hands of the cane-growers. We all know, Sir, that the cultivators of this country are not in a position to invest large sums in establishing big factories and therefore they are always at the mercy of the capitalist and consequently some such means has to be devised by which the money of the capitalist may be utilized for the sake of the benefit of these cane-growers. So, Sir, these factories are established on a different basis from that on which the joint stock companies are established. Sir, in these factories a certain area is selected and within that area as many villages as produce cane are selected, and societies are registered under the Co-operative Societies Act. The societies become members of these factories and purchase shares. They are supervised by a regular staff, not in the cane season only but throughout the year. The duty of the staff is not only to supply their cane to the factory but to give them advice how to prepare their fields, how to improve the quality of their cane, how to use manure, how many times they have to give water. This staff is meant to educate these cultivators on all these points. These factories also advance money to the societies free of interest. One co-operative factory with which I am concerned, the United Provinces Co-operative Factory, gave Rs. 60,000 last year in that way without interest. Then, whenever there is a payment to be made to zemindars for rent, the societies come to the factory and the factory makes payments to the zemindars direct, if they so desire, or through the Society. The result is that the cane-growers are always at ease so far as payment of rent to the zemindars is concerned, and so far as the time of ripening of their cane is concerned. When these tenants are pressed by the zemindars for rent, they take the unripe cane to the factories and try to sell them as early as possible, because they cannot stand the pressure of the zemindar. The zemindars also cannot delay because they have to pay land revenue to Government for which also time is fixed. So, the ultimate result is that in most cases undeveloped sugarcane goes to the factories which are not working on these lines. There is another point. The co-operative factories generally pay a higher price for the sugarcane than what is paid by the other factories in the district or than what is prevailing in the district, because the object of the factory is that the cane-growers must get a fair price for their cane. Lastly, Sir, there are bye-laws in the factory by which the dividend is limited to

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a certain percentage. They cannot pay as high a dividend as that paid by the capitalist factories, and whatever dividend they pay, they have to take the permission of the Registrar of the Co-operative Department before they pay that dividend. After that percentage of dividend, if there is a balance of profit, out of that profit these cane societies are eligible to get bonus on the quality and quantity of cane supplied. So, Sir, the interests of the cane-growers in this factory are manifold. It is in the development of the sugarcane, in the payment of the price, in the payment of the dividend on shares, and lastly, in the eligibility to get a bonus over and above the fair price paid to them. So, you will find that the situation of these factories is quite different to those of the capitalist factories. Under the present competition from Java and the competition of the bigger factories established on a joint stock basis, it is impossible for these factories to stand the competition. There are so many factories in India which are of 1,000 and 2,000 tons. There are hardly any factories on a joint stock basis which are of less than 400 tons capacity. The bigger the factory, the lower the overhead charges. The factories established on a co-operative basis cannot be as big. So, they cannot reduce their overhead charges. They have to pay several extra things which a joint stock company has not got to pay. For example, these seasonal factories are almost closed at the end of the season, and a very limited number of staff is kept for cleaning purposes. But for the co-operative concern, the whole organization for the development of the cane area is regularly kept. The factory with which I am concerned has to pay about Rs. 1,000 per month in the off season for the maintenance of this staff. So, naturally, their overhead charges will be much higher than those of the joint stock companies. These factories are suffering on the one hand from dumping and lower prices and on the other hand from the internal competition of the bigger factories established on a joint stock basis, and naturally, they cannot give such benefit to the cultivators at which they aim. Sir, the Government have always helped co-operation. We expect the Government to help in the same way. It is on co-operation that the salvation of this country lies. I will here quote the words which the co-operators have written in golden letters, the words of His Majesty the King Emperor when he said in 1911 :

"If the system of co-operation can be introduced and utilized to the full, I foresee a great and glorious future for the agricultural interests of the country".

After that, the Commissions which sat in India have all laid stress on the development of co-operation. The Royal Commission on Agriculture said :

"If the rural community is to be contented, happy and prosperous, local Governments must regard the co-operative movement as deserving of all encouragement which it lies within their powers to give".

The Committee of Foreign Banking Experts said :

"The co-operative movement, in spite of imperfections and unavoidable setbacks, deserves every possible assistance from all quarters, because there is no better instrument for raising the level of the agriculturists of this country than the co-operative effort and a strong appeal to the banking interests of the country to assist this movement seems not at all out of place".

So, Sir, it is agreed on all hands that the co-operative movement is the one movement which can raise the level of the agriculturists.

Sir, the House will remember that when the excise duty was being discussed in this House last year I moved an amendment the purpose of which

was nearly the same as that of my Resolution of today. The Government was not then in a position to accept my amendment, but the reply given was very encouraging, and it is because of that encouraging reply that I have brought forward this Resolution. Sir Alan Parsons in replying to my amendment said :

"I do not yield to him in the desire to see the growth of the co-operative movement, and so far as I have been able to follow his speech, I think the societies on whose behalf he was speaking probably fulfil a very useful purpose".

Further on, he said :

"As a general matter of principle, I should, on my present information, consider that the particular form of assistance he suggests is not the form which further assistance, if necessary, should take. In any case much further investigation would be required before Government could agree to assistance being given to them in this form".

So, I thought that in this interval of nine or ten months Government would have made inquiries and will come forward today to accept my Resolution. Sir, before withdrawing my amendment at that time I put a definite question to the Government, namely,

"May I ask of the Honourable Finance Secretary that if they (the factories) make representation through the local Governments, will he be prepared to consider their case, as he is prepared to consider the case of the factories in Bihar" ?

The Government had previously said that these concerns should represent their case through local Governments, and so I put that question definitely to ascertain if they would be prepared to consider their case if they so represented. The reply given by Sir Alan Parsons was :

"I am not prepared, I am afraid, to give any undertaking with regard to the revenue for the current year".

As they were not prepared to give an undertaking with regard to the revenues of the current year, I would request them to consider this matter so far as the revenues of the coming year are concerned.

Now, Sir, the question is, what will be the effect upon the revenues of Government if my Resolution is accepted by them ? In answer to my question today it seems that the Government have not been able to collect complete statistics on the question but, Sir, so far as I know there are only three factories in India working on the vacuum pan system. One is the United Provinces Co-operative Sugar Factory, the second is the Sriram Krishan Co-operative Industrial Society in Vizagapatam, and the third is Etokoppaka Co-operative Sugar Factory. These are the only three. The two Madras factories are of about 50 to 75 tons capacity, as far as I know, and the United Provinces Co-operative Factory is of 150 to 300 tons capacity. These are the only vacuum pan factories. So far as the open pan factories working on co-operative lines are concerned, I think their number does not exceed more than a dozen. Taking all these facts into consideration, the loss of revenue to Government will not be more than a lakh of rupees a year, which is only a drop in the ocean of excise duty. That my estimate was approximately correct appears from what Sir Alan Parsons said in reply in reference to it. He said :

"Sir, for once I have not got to dispute estimates with my Honourable friends", which clearly shows that he also estimated that the loss would not be more than a lakh of rupees. That, I submit, is a very minor loss which will give

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a great benefit to the cane-growers and will give a great impetus to the co-operative movement when it is found that Government has accepted this request and exempted them from the excise duty.

With these words, Sir, I move.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras : Non-Muhammadan) : Mr. President, for an agricultural country like India, this exemption asked for in the Resolution of my Honourable friend is a very important one. Its importance is all the greater because the specific request is that the exemption be only given in the case of factories run on co-operative lines. We all know that the co-operative movement is still in its infancy. It is through this movement alone that substantial relief can be given to the agriculturists and middle classes, especially in view of the present plight of the landholders. If protection is intended to give proper relief to the agriculture and industries of India, exemption from excise duty as in the present case is a step in the right direction. The sugar industry in India is counted as one of the important national developments of the country. We are advancing in sugarcane-growing technique through the great help given by Government by the establishment of sugarcane research work. If the agriculturists are to enjoy the full advantage of these facilities afforded by the protective duty and research work, I submit that the exemption asked for in this Resolution is most essential in order to develop the co-operative movement in India, which requires a great deal of support from the Government as well as the public. When I say, public, it means the great agricultural masses of our country and not the few big capitalists to whom as things stand at present the real benefit of the protection mostly goes. Our country being predominantly agriculturist of small holdings it is but proper and legitimate that these benefits should go to those masses ; and there is no other way for them to enjoy these benefits than through such co-operative lines and further this will be a great incentive to develop the co-operative spirit in the country. I therefore strongly support the Resolution of my Honourable friend and request the House to be pleased to give their unanimous support. After all, Sir, the loss has been estimated at only Rs. 1 lakh. We have heard that very great developments have been going on on co-operative lines in other advanced countries, especially countries dependent upon the agricultural industry ; and so it is but proper that the House should be pleased to give unanimous support in getting this exemption for factories run on co-operative lines.

With these few words, Sir, I strongly support the Resolution of my Honourable friend.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan) : Sir, I have also great pleasure in supporting the Resolution moved by my Honourable friend Rai Bahadur Lala Mathura Prasad Mehrotra. I think very few societies are working on co-operative lines. I do not see why Government should not come to the aid of these concerns and see that whatever possible encouragement could be given is given to them so that such institutions may thrive. As my Honourable friend Mr. Gounder has said, India is an agricultural country and we have to do all possible improvements in the situation. As a matter of fact, the loss to Government would only be a lakh of rupees and I do hope that in the interests of the agriculturist the Government will not see their way to oppose the Resolution, but will as

far as possible give the agriculturists a helping hand to support a cause which is very dear to them. I need not take up more time of the House.

Sir, I have very great pleasure in supporting the Resolution.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary) : Sir, I have listened with great attention to the speeches which have been delivered by the three Honourable Members who have addressed the House and I am sure that all the other gentlemen in the House have done the same. The effect of those speeches, as it seems to me, is to establish two propositions, which no one here is prepared to contest. One is the success of the protection policy adopted by the Government with regard to the sugar industry ; the other is the undoubted benefits which are conferred on the population of this country by the co-operative movement. No one is prepared to deny either of those two propositions. But, Sir, when we come down to the essence of the Resolution moved by the Honourable Rai Bahadur, I am afraid that I must join issue with him. To begin with, what does this Resolution mean ? It says :

“ This Council recommends to the Governor General in Council to exempt sugar factories established on co-operative lines from the excise duty ”.

It is expressed in entirely general terms and includes the expression “ established on co-operative lines ”. What exactly would Government be committed to if it was to accept this Resolution as it stands ? After all, in every factory in which two or more people are employed, there must be some degree of co-operation. I cannot believe that the Honourable mover of this Resolution intended such a wide meaning to be applied to his words. He must, I think, mean that this concession should be granted to those sugar factories which are registered under the Co-operative Societies Act, 1912 ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : That is what I meant, Sir.

THE HONOURABLE MR. P. C. TALLENTS : That is what I thought and I shall proceed on that basis. As the Honourable Member has himself pointed out, there are only a very few factories answering to this description in India. In reply to a question which I answered this morning I explained that there are six, and of those six, according to my information, three are not working at the present time. So far as the size of the problem therefore is concerned it is, I freely admit, a very small one. The amount of revenue which Government might have to forego by granting the proposed concession is inconsiderable ; but, Sir, the principle involved is one of very great importance. On what ground does the Honourable Member recommend that this special concession should be granted to this small and special class of sugar factories ? I listened with great attention, as I said, to his speech ; but I was unable to follow the reasons. To begin with, sugar factories as a whole in India at the present time, as he himself admitted, are benefiting from the high degree of protection which has been afforded to them. At the present time there is an import duty of Rs. 9-1-0 on imported sugar as compared with an excise duty of Rs. 1-5-0 per cwt. on the article manufactured in the country. The excise duty does not in fact amount to as much as the surcharge on the import duty. The industry as a whole can hardly claim that it has not received a full degree of protection. But, Sir, if this concession was granted to this small number of factories, then I think the indigenous sugar industry would have a very legitimate grievance. Why should these few factories receive this very special

[Mr. P. C. Tallents.]

concession? I admit that, as the orders at present stand, profits arising from sugar factories which are registered under the Co-operative Societies Act are exempted from income-tax. That is not a provision of the Act, but as the orders at present stand, that is the position. Why should they be granted this further concession? The theory is that mutual trading may result in mutual benefit, but not in profit. On this theory a similar exemption from income-tax has hitherto been allowed in England to co-operative societies, but the co-operative societies in England have now reached such a size that that theory has come in for very severe handling and the concession which has hitherto been allowed in England has recently been withdrawn. After all, if you have a large sugar factory, although it may be registered under the Co-operative Societies Act, that sugar factory is not intended to supply sugar to the cane-growers, but to the public. Once this factory goes into competition with the other sugar factories in the country, the theory that these factories are involved in mutual trading can hardly be supported. The indigenous sugar industry therefore is entitled to claim fair competition. Moreover, when you once impose a tax on an industry it is extremely undesirable to make exemptions and fail to impose it generally. The Honourable Member referred to a question—I think it was a question—which he put last year to Sir Alan Parsons. I have not got the proceedings of the Council of State of that day to refer to, but it seems to me quite clear that the question must have arisen in connection with the earthquake. If so, then, Sir, it seems to me to be quite irrelevant to the present Resolution which is expressed in entirely general terms. Sir Alan Parsons, as indicated by the Honourable Member, said that he was not able to consider exemptions from the excise duty in the then current year. I am sure he would never for a moment have agreed or have allowed it to be supposed that his reply gave any implication that he would be prepared to agree to such an exemption for all time to come. That passage in the Honourable Member's speech I think, Sir, is not relevant to the proposition which he is now moving.

Well, Sir, I hope that I have been able to convince the House that the arguments against accepting this Resolution are quite unanswerable, and that to adopt it would be both unfair to the sugar industry in this country and contrary to the theory on which these taxes are imposed. I hope that the Honourable Member will not press his Resolution to a division. If he does so, I hope the other Honourable Members will not fail to vote against it.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I regret that the reply I got to the amendment that I moved last time was much more hopeful than the one I have got this time. Sir, I admit that the language of the Resolution may not be very happy but what I meant, Sir, was only those co-operative sugar factories which were registered under the Co-operative Societies Act II of 1912, and I made this clear when my Honourable friend, the Finance Secretary, got up to reply. Then, Sir, he said that the principle involved was great and he could not follow the grounds on which I sought exemption for these factories. Sir, I made it quite plain in my speech that there is a lot of difference between the factories working on this system and the joint stock factories. They are giving so much benefit to the cane-growers which the other factories do not give. The other factories' concern with cane-growers is only to get cane as cheap as possible. The concern of these factories is to develop their cane area, to make them self-contained, to develop the spirit of thrift and to raise their share capital in these

factories. So, Sir, the difference is there and a great difference, which my friend the Finance Secretary I regret could not realize. Where is the factory in India which gives *dadni* of thousands of rupees, Rs. 56,000, without interest? Where is the factory which spends about a thousand rupees in the off season on the development of these cane societies? Where is the factory in India which is prepared to give a commission to these societies which eliminates middlemen's profits? Where is the factory in India which is prepared to share out of the profit which the factory gets? I think these are so many concessions which the other factories never give but the co-operative factories do so. So the difference is great. My friend may or may not realize it but the difference is great. Then, Sir, I am claiming exemption for this limited number of factories. I know that Government has given exemption to one factory in Cawnpore. It is a Government factory attached to the Agricultural College and experimental farm and it has exempted that factory from the excise duty because the purpose of that factory is demonstration. If the purpose of that factory is demonstration the purpose of these factories is to better the condition of the cane-growers, to set an example to other factories that they must also work on these lines and to give equal benefit of the protection to the agriculturist and the capitalist. So, Sir, the difference is great in every way.

Then, Sir, my friend said that so many concessions were given in England but recently the idea is there to withdraw them from the co-operative societies. Sir, the co-operation in England has developed well and there it stands upon its own legs, but in India co-operation is in its infancy. If Government is not prepared to help the movement, I think that the day will come when it will collapse. Therefore, it is in the fitness of things that Government may come forward to give such little encouragement as it can. In answer to my amendment last year, Sir Alan Parsons definitely said two things—firstly, that he was not prepared to consider the case during the current year. The Council proceeding is there and my friend can find it out from it. And secondly, he said, that the request should come through the local Government. These were the two definite points made by Sir Alan Parsons in answer to my amendment. Sir, I have fulfilled both requirements. I have waited for that current year to lapse. I am demanding this concession for the next year. And I have already applied to the local Government to approach the Government of India for this concession. I have fulfilled both these demands and now I request the Government of India, if the local Government considers the case favourably and recommends it to the Government of India, to kindly accept it and give this exemption. If that assurance comes, I am ready to withdraw the Resolution. I only wanted to ventilate the views of the co-operators on this point.

THE HONOURABLE MR. P. C. TALLENTS: Sir, I have only to say this that if a representation is received from the local Government it will of course be considered on its merits. But I have attempted to indicate to the House the line which the Government of India will probably take. It may be that the local Government have some further arguments to advance which have not been taken into consideration this morning. If so, I can only say they will, of course, be considered.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: On that assurance, Sir, I withdraw my Resolution.

The Resolution* was, by leave of the Council, withdrawn.

*Vide page 192, ante.

ELECTION OF TWO NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

THE HONOURABLE THE PRESIDENT : I have to announce the result of two elections. Firstly, the names of Members nominated for election to 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. They are :

The Honourable Rai Bahadur Lala Jagdish Prasad, and

The Honourable Diwan Bahadur Sir K. Ramunni Menon.

As there are two vacancies and only two candidates, I declare them duly elected.

NOMINATIONS FOR ELECTION TO THE STANDING COMMITTEE FOR ROADS.

THE HONOURABLE THE PRESIDENT : I have also to announce that the following Honourable Members have been nominated for election to the Standing Committee for Roads :

The Honourable Mr. E. Miller,

The Honourable Diwan Bahadur G. Narayanaswami Chetty,

The Honourable Raja Ghazanfar Ali Khan,

The Honourable Mr. Mahmood Suhrawardy, and

The Honourable Mr. V. C. Vellingiri Gounder.

I shall announce later on the date on which the election will take place in respect of this Committee.

The Council will now adjourn.

The Council then adjourned till Eleven of the Clock (Standard Time) on Monday, the 18th February, 1935.

COUNCIL OF STATE.

Monday, 18th February, 1935.

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

QUESTION AND ANSWER.

POSTAL INSURANCE POLICIES.

38. THE HONOURABLE MR. V. V. KALIKAR : Will Government be pleased to state :

(a) Is it a fact that all insurance companies give loans on the security of their insurance policies ?

(b) Is it a fact that postal insurance does not afford this concession to its policy-holders ? If so, will Government state why this concession has been denied in this exceptional insurance ?

(c) Is it a fact that some policy-holders had made a representation to the postal authorities to amend the existing Postal Insurance Rules so as to make provision for granting loans on the securities of their policies ? If so, what has been the decision arrived at by them ?

(d) If no decision has yet been arrived at, will Government please state how long they will take to arrive at a decision ?

(e) Is it a fact that standard banks and other persons offer loans on the security of postal insurance policies at double the rate of interest which is generally charged by Government on any loans offered by them to their servants ?

(f) Do Government propose to change the policy hitherto followed, by considering the question on commercial lines ?

THE HONOURABLE MR. D. G. MITCHELL : (a) Government understand that this is the case.

(b) Loans are not advanced by Government to holders of postal insurance policies on the security of such policies because such loans can be obtained from any bank on the security of the policies.

(c) The reply to the first part is in the affirmative. As regards the second part, it was decided not to make any special provision.

(d) Does not arise.

(e) Government have no information.

(f) Government do not propose to introduce the system of granting loans on postal insurance policies. These policies are intended to give special facilities to Government servants and persons of analogous position to

enable them to make provision for their families. It is also intended that there should be no unnecessary competition with private business. If Government were to grant loans on these policies on favourable terms, both objects would be defeated.

STATEMENT LAID ON THE TABLE.

REPORT OF THE COMMITTEE OF THE COUNCIL OF STATE ON THE OTTAWA TRADE AGREEMENT.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I lay on the table the Report of the Committee appointed by the Council of State to examine and report on the working of the scheme of mutual preferences between India and the United Kingdom arising from the Ottawa Trade Agreement, together with a separate note by certain members.

Report of the Committee appointed by the Council of State to examine and report on the working of the scheme of mutual preferences between India and the United Kingdom arising from the Ottawa Trade Agreement.

We were appointed by the Council of State on the 8th August 1934 as a committee to examine and report on the working of the scheme of mutual preferences between India and the United Kingdom brought into force as a result of the Trade Agreement concluded at Ottawa between the Government of India and His Majesty's Government in the United Kingdom.

We have made a careful examination of the available information, most of which is contained in a report on the working of the scheme of preferences up to the end of the fiscal year 1933-34 which the Director-General of Commercial Intelligence and Statistics has submitted, and have now the honour to present this our report.

2. We found it convenient that our investigation should be directed towards propounding the answers to five main questions and we think it will be equally convenient that our report should take the same form. The questions which we put to ourselves were as follows:—

- (i) What has been the effect on India's exports of the preferences granted to India?
- (ii) What has been the effect on India's imports of the preferences granted by India?
- (iii) What has been the effect on internal prices of the preferences granted by India?
- (iv) What has been the effect on Indian industries of the preferences granted by India?
- (v) What has been the effect on India's revenue of the preferences granted by and to India?

But before stating our conclusions we must emphasize that they are all subject to one main qualification: they are based on figures up to the end of March 1934, when the preferences granted by India had been in force for only fifteen months, and this period is, in our opinion, much too short to enable a final opinion to be reached on the effect of the scheme as a whole. Though it is possible to derive from the information so far available an indication of what the results of certain parts of the scheme may prove to be, even this is not practicable over the whole field; and as a whole we have found that we could do little more than point out the trend of the trade affected by the Ottawa preferences as revealed by the figures up to March 1934 without committing ourselves to a definite view of what the ultimate balance of advantage and disadvantage from the agreement may be.

3. *What has been the effect on India's exports of the preferences granted to India?*—We have made a careful examination of the statistics relating to each of the preferences scheduled in the agreement, and the results of our investigations are as follows:—

Wheat.—The preference has not so far been of value to India but has a potential value, especially when the area commanded by the Sukkur Scheme is fully developed.

Rice.—The position of the rice trade during the year 1933-34 was by no means fully satisfactory. There was a fall of 100,000 tons in the total volume of exports, and of about Rs. 3½ crores in their value. But the preference of a penny a pound given by the United Kingdom is the equivalent of over 200 per cent. *ad valorem* on the prices ruling in 1933-34 and has enabled India to double her export trade to the United Kingdom; the increase in value amounting to about Rs. 19 lakhs or 60 per cent. We consider that the preference has been of definite and substantial advantage to India in enabling her both to export more of her produce and to obtain a better price for it in the United Kingdom than she otherwise would have done.

We wish to invite attention to the dangers to the rice preference arising from the increasing imports of foreign paddy into the United Kingdom. It has been stated that it is possible that these increased imports have so far been at the expense of foreign rice and not of Indian rice. On the other hand, the Indian Trade Commissioner, commenting on the favourable development of the marketing of Indian rice, has stated that the novel feature of imports of foreign paddy bearing only 10 per cent. duty, will have to be carefully watched if the benefit of the Ottawa preference on rice from India is not to be jeopardised. This gives us some cause for apprehension and we are of opinion that the question of imposing an adequate countervailing duty on foreign paddy in order to protect imports of Indian rice into the United Kingdom should be taken up at an early date with His Majesty's Government in Great Britain.

Vegetable oils.—This group comprises castor, linseed, coconut, groundnut, rapeseed and sesamum oil. Taking the group as a whole, we are of opinion that the preferences granted by the United Kingdom have led to increased exports from India. We are unable to express any opinion as to the effect of the preferences on prices obtained by India.

Magnesium chloride.—This is only a small item, but it seems clear that the preference granted has been of advantage to the one manufacturing concern in India both in enabling it to export a largely increased quantity of magnesium chloride and in enabling it to get a better price for it.

Linseed.—The comparative failure of the Argentine crop would, in our opinion, anyhow have led to larger exports of Indian linseed to the United Kingdom in 1933-34. But we think it clear that the preference assisted Indian linseed to oust Argentine linseed from the United Kingdom in that year, for India increased her percentage in the United Kingdom market from 2½ per cent. to 53 per cent. while the world supply fell by only 25 per cent.

Coffee.—The preference appears to have enabled India to retain her position in the United Kingdom market, which she would otherwise have lost to British East Africa.

Tea.—We consider that the preference has been of advantage to India in preventing a diversion of the trade to Ceylon.

Coir mats and matings and coir yarn.—It seems to us clear that the preference on coir manufactures has been of definite advantage to India and has enabled her to capture practically the whole of the United Kingdom market. In 1931-32 she supplied 5·3 million square yards out of a total import into the United Kingdom of 6·6 million square yards; in 1933-34 she supplied 8·4 million square yards out of 8·5 million square yards.

The preference on coir yarn does not appear to have had any effect in stimulating exports. What seems to have happened is that India is now supplying more of the manufactured article at the expense of the United Kingdom manufacturer whose demand for coir yarn has therefore decreased.

Cotton yarn and cotton manufactures.—The preferences do not seem so far to have been of any appreciable value to India.

Tanned hides and skins.—The preference has obviously enabled India to increase her exports to the United Kingdom at the expense of foreign countries.

Jute manufactures.—We think it clear that the preference has enabled India to capture the market from foreign countries. In 1931 India had 78 per cent. of the United Kingdom's imports; she now has 98 per cent.

Oilseed cake.—There has been a substantial increase in the imports of oilseed cake and meal from India into the United Kingdom since the preference was granted in spite of the fact that the United Kingdom's total imports have decreased. On the other hand, India's exports to foreign countries have fallen by about the same amount as the increase in India's exports to the United Kingdom. The material before us is not sufficient to enable us to form an opinion whether the preference has been of advantage to India or has merely resulted in a diversion of trade.

Paraffin wax.—We are unable to express any view whether the preference has as yet been of any advantage to India.

Spices.—The preference does not seem to have had as yet any appreciable effect.

Teak and other hard woods.—Teak was responsible in 1933-34 for 98 per cent. in quantity of the total exports from India to the United Kingdom under this group. The Y increased very substantially in 1933-34 without any decrease (and in fact with a considerable increase) in the exports to countries not granting preference. We consider that the preference on teak has been of very definite value.

The preference on other sorts of hard wood, of which India is only a small exporter appears to have been of little value to India.

Woollen carpets and rugs.—The preference appears to us, from the figures of 1933-34, to have been of definite advantage to India, enabling her to increase her trade with the United Kingdom without loss of trade with foreign countries. Her percentage of United Kingdom imports has risen from 21½ per cent. in 1931-32 to 51 per cent. in 1933-34.

This preference is of particular value in that it assists an industry which in many cases partakes of the character of a cottage industry.

Bran and pollard and rice meal and dust.—The preference seems to have enabled India to maintain her place in the United Kingdom market.

Tobacco.—The substantial preference of 2s. per lb., which represents nearly 380 per cent. *ad valorem* on present prices, has enabled India to increase her share in the import trade of the United Kingdom. At the same time exports of Indian tobacco to foreign countries have increased. We are of opinion that the preference is of definite advantage to India, particularly with regard to unmanufactured tobacco, and that in view of the large market in the United Kingdom particularly for light tobacco for cigarettes, greater advantage can still be taken of the preference.

Castor seed.—The indications appear to us to be that the preference has enabled India to increase her share in the United Kingdom market. There has simultaneously been a decrease in the exports from India to foreign countries. At the same time we notice that the exports of castor oil from India to foreign countries have increased very considerably in the past two years.

Magnesite, sandalwood oil, granite setts and kerbs.—We think that the preferences on these three articles have been of advantage to India, and in the case of granite setts and kerbs fulfil their purpose of opening up a new line of trade.

Groundnuts.—The preference seems to have been of moderate value to India.

Lead.—The preference appears to have enabled India to increase her exports to the United Kingdom, both absolutely and relatively to other countries, and it has an important insurance value in that India's chief competitor in the United Kingdom market is Australia which also enjoys the same preference.

We note that there was some falling off in 1933-34 in the exports of pig lead to countries not granting a preference.

Raw cotton.—Under the Ottawa Agreement the Government of the United Kingdom undertook to co-operate in any practical scheme that might be agreed upon between the manufacturing, trading and producing interests in the United Kingdom and India for the promotion of the greater use of Indian cotton in the United Kingdom. We are of opinion that the increase in the exports of Indian cotton to the United Kingdom in the year 1933-34 reflects favourably on the action already taken in this direction.

The Honourable Mr. Hossain Imam wishes to record the following further observations:

"The export of Indian raw cotton is like all commodities governed by price factor. As it is inferior in quality to the American Middling, it commands greatest demand when its parity to it (A. M.) is lowest and the demand falls back when parity rises. When the parity was 70·3 the demand was 727,000 tons (29-30) with 88·3 the demand was only 375,000 tons (32-33) and with 75·6 it again went up to 514,000 (33-34). The parity is governed by internal demand to a great extent. With the boycott movement the internal production increased due to greater demand of the consumers and consequently the parity increased. In viewing the parities, the fact should not be lost sight of that the parities are in terms of gold while America was on gold standard and therefore the parity in terms of Pound purchasing power is different.

I do not therefore regard the increase in intake of the United Kingdom as anything but a direct result of decreased parity, and to a certain extent due to difficulties of financing American trade".

Iron and steel.—Although the necessity for an export market for Indian "semis" may now have disappeared, we are of opinion that the arrangement entered into by the Supplementary Agreement was of advantage to India. The free entry of pig iron into the United Kingdom, while supplies from foreign sources paid 33 per cent. *ad valorem*, has enabled India to find a market for 93,000 tons of pig iron in the year 1933-34 when, apart from temporary causes, export markets for Indian pig iron have been rapidly contracting.

It will be observed from this detailed examination that, in our opinion, certain of the preferences granted by the United Kingdom, notably those on rice, vegetable oils, coir and jute manufactures, tanned hides and skins, teak, woollen carpets and rugs, tobacco and lead, definitely led to an increase in India's exports in 1933-34, while others, such as those on tea and coffee, had an insurance value in preventing a loss of trade, more particularly to other Empire countries receiving similar preferences. As a whole the indications seem to us to be that the preferences are of considerable assistance to India.

We desire to invite particular attention to our comments on one effect of the preference given to rice.

The preferences granted to India by non-self-governing Colonies and Protectorates appear to have had little effect so far. This is also true of the preferences granted by India to these Colonies and Protectorates.

We are informed that Ceylon has not yet implemented in full the preferences agreed upon at Ottawa. We understand that negotiations to this end are still in progress, and we would urge that early steps be taken to secure an adequate *quid pro quo* for the preferences given to Ceylon.

4. *What has been the effect on India's imports of the preferences granted by India?*—The preferences granted by India cover a large number of commodities in many of which the trade is relatively small. An examination of the figures up to March 1934 leads us to the conclusion that, taken as a whole, these preferences have been of value to the United Kingdom in enabling her to increase her trade with India, more particularly in the case of chemicals, hardware, instruments, wrought aluminium, brass, bronze and copper, oils, paints and colours, provisions, rubber manufactures, stationery, woollen manufactures, toilet requisites, cycles and parts of cycles, and to some extent motor cars and motor omnibuses. In other cases the preferences seem to have enabled her to maintain her existing trade in a period of depression when the tendency was downward.

It has been pointed out to us that lubricating oils of foreign origin blended and packed in the United Kingdom have in the past enjoyed preferential treatment. We are informed, however, that the rules which govern the admissibility of such oils to preferential treatment have been altered and that such oils blended and packed in the United Kingdom are no longer accorded preferential treatment.

5. *What has been the effect on internal prices of the preferences granted by India?*—We have examined the available statistics which appear to us to indicate a downward tendency in the prices of the articles affected by these preferences since the scheme was introduced. We are unable, however, to record any definite opinion of the extent to which this downward tendency was due to the grant of the preferences and not to other causes at work during the period. It seems clear that the consumer has not been adversely affected.

6. *What has been the effect on Indian industries of the preferences granted by India?*—The only industry which has made a representation that it has been adversely affected by the operation of the Ottawa preferences is the aluminium utensil manufacturing industry, and after considering the facts brought out in Chapter IV of Dr. Meek's report on the working of the scheme of preferences we have come to the conclusion that the case for this industry has not been made out. The indications appear to us to be that the scheme of preferences has not adversely affected any Indian industry.

7. *What has been the effect on India's revenues of the preferences granted by and to India?*—We append to our report a note on this subject which has been prepared by the Central Board of Revenue. It seems to us clear that the preferential scheme has in no way adversely affected the revenues of India.

8. We wish to express our obligations to Dr. Meek not only for his very fair and valuable report which we consider to be exactly what is required for the detailed study of this complicated matter, but also for the great assistance he gave to us in our deliberations.

We were unable to complete our deliberations before the close of the session, and our report cannot therefore be presented to the Council of State till some months have elapsed since its preparation. The Honourable Mr. Hossain Imam and the Honourable Mr. Kalikar would have wished the preparation of the report to have been postponed until January, when some further information might have been available.

The Honourable Diwan Bahadur G. Narayanaswami Chetty and the Honourable Mr. Bijay Kumar Basu were unable to take part in our deliberations and consequently do not sign this report. We append to it a separate note by the Honourable Mr. Hossain Imam, the Honourable Mr. V. V. Kalikar and the Honourable Mr. Mahmood Suhrawardy.

A. A. L. PARSONS.

T. A. STEWART.

E. MILLER.

RAZA ALI.

*HOSSAIN IMAM.

*MAHMOOD SUHRAWARDY.

*V. V. KALIKAR.

Simla, 12th September, 1934.

APPENDIX.

I have been asked to give an appreciation of the effects of the Ottawa preferences on our customs revenue. For this purpose I have examined the figures of collection of import duty under the main tariff headings in the last two complete years 1932-33 and 1933-34. It may be observed that the preceding year 1931-32 is unsuitable for purposes of comparison because there was a general increase in the rates of duty in September 1931. It must also be borne in mind that the Act embodying the results of the Agreement came into effect on the 1st of January 1933. For three months, therefore, of the financial year 1932-33 the Ottawa preferences were in force. We can, therefore, only compare the figures of the year 1933-34, during the whole 12 months of which the preferences were in force, with the figures of the previous year during three months of which the preferences were in force.

2. For the purposes of this comparison I have prepared three tables. Table I gives the figures for tariff headings which were completely covered by the Ottawa Trade Agreement. Table II gives the figures for tariff headings covering articles some of which were affected by the Agreement while others were not. For the year 1933-34 the figures are given in two columns, A and B, showing the duty collected on articles so affected and on articles not affected. It is for obvious reasons impossible to make a similar division of the figures for 1932-33. Table III gives the figures for tariff headings entirely unaffected by the Ottawa Trade Agreement.

3. The total revenue from import duties in the year 1933-34 was Rs. 6.26 crores less than the total import revenue of the previous year 1932-33. It will be seen from the tables that the way in which the three groups of tariff headings contributed to produce this result was as follows:—

Table I.—Tariff headings entirely affected by the Ottawa Trade Agreement: net gain 5.10 lakhs or +1½ per cent.

Table II.—Tariff headings partially affected: net loss 68.24 lakhs, or —5 per cent.

Table III.—Tariff headings entirely unaffected: net loss 563.70 lakhs, or —23 per cent.

4. It will be seen from Table III that the greater part of the loss occurred under the protected heads Sugar, Cotton Piecegoods, and Iron and Steel, which accounted for 4.30 crores of the decrease.

A. RAISMAN

16th August 1934.

* Subject to separate note.

TABLE I.

Tariff Headings entirely affected by the Ottawa Trade Agreement.

(Figures in thousands of rupees.)

Article.	1932-33.	1933-34.	Difference.	
			—	+
Pneumatic Rubber tyres and tubes .	37,57	32,52	5,05	..
Confectionery	7,35	7,33	2	..
Spices	18,08	18,00	8	..
Tea	11,45	13,36	..	2,09
Tobacco, unmanufactured . . .	99,96	87,66	12,30	..
Lubricating oils	11,11	15,41	..	4,30
Motor cars	64,66	75,02	..	10,36
Electric Lighting bulbs . . .	18,06	15,92	2,14	..
Cinematograph films (not exposed) .	2,72	3,65	..	93
Smokers' requisites	1,14	1,96	..	82
Toys, etc.	23,69	25,37	..	1,68
Wireless reception instruments and apparatus.	2,55	4,09	..	1,54
Metals, Iron and Steel	30,74	35,05	..	4,31
Portland Cement	11,51	10,17	34	..
Betel Nuts	57,54	56,54	1,00	..
	3,98,13	4,02,05	20,93	26,03

N.B.—The rate of duty on unmanufactured tobacco had been Rs. 1-14-0 a lb. and was altered owing to the Ottawa Agreement to Rs. 2 standard and Rs. 1-8-0 preference. The amount imported from British Colonies remained negligible. It is improbable that the decrease was due to the slightly increased rate of duty. Former importations were:—

	lbs.
1929-30	4,551,848
1930-31	1,608,381
1931-32	2,844,919
1932-33	5,115,672
1933-34	4,187,024

TABLE II.

Tariff Headings partially affected by the Ottawa Trade Agreement.

(Figures in thousands of rupees.)

Article.	1932-33.	1933-34.		Total.	Differences.	
		A	B		—	+
Ale, beer, porter, etc.	35,41	33,04	1,17	34,21	1,20	..
Spirits	1,72,59	16,34	1,61,64	1,77,98	..	5,39
Boots and shoes	27,82	3,24	21,13	24,37	3,45	..
Arms and Ammunition, etc.	4,17	7,35	1	7,36	..	3,19
Other articles at special rates	6,40	1,45	18,17	19,62	..	13,22
Articles of food and drink	1,12,27	55,73	34,64	90,37	21,90	..
Raw materials	1,08,17	45,22	55,75	1,00,97	7,20	..
Cutlery and hardware	1,41,81	1,32,61	9,30	1,41,91	..	10
Metals other than Iron and Steel	91,53	67,55	8,00	75,55	15,98	..
Yarn and Textile fabrics	1,36,05	50,69	59,39	1,10,08	25,97	..
All other articles at 25 per cent	4,39,38	3,03,93	1,31,08	4,35,01	4,37	..
Other articles at 50 per cent.	77,08	12,32	54,69	67,01	10,07	..
	13,52,88	7,29,47	5,54,97	12,84,44	90,14	21,90

Nett loss—68,24.

Column A.—This shows the total duty collected in 1933-34, whether at preferential or standard rates, on those portions of the Tariff Heading which are affected by the Ottawa Trade Agreement.

Column B.—This shows the total duty collected in 1933-34 on those portions of the Tariff Heading which are entirely unaffected by the Ottawa Trade Agreement.

TABLE III.

Tariff Headings not affected by the Ottawa Trade Agreement.

(Figures in thousand of rupees.)

Article.	1932-33.	1933-34.	Difference.	
			—	+
Wheat	13,44	3,22	10,22	..
Wines	12,92	13,81	..	89
Molasses	3,86	2,22	1,64	..
Tobacco, manufactured	33,80	27,15	6,65	..
Coal, coke and patent fuel	32	50	..	18
Tin block	7,25	6,15	1,10	..
Kerosene oil	1,45,35	1,26,01	19,34	..
Motor spirit	29,00	10,20	18,80	..
Other mineral oils (excluding lubricating oils)	23,20	23,94	..	74
Cotton, raw	55,91	30,38	25,53	..
Silver	7,56	89	6,67	..
Artificial silk yarn and thread	17,14	15,70	1,44	..
Cotton yarn and thread	54,87	40,17	14,70	..
Silk and artificial silk mixtures	47,64	44,78	2,86	..
Vinegar, etc.	15	23	..	8
Dyes and colours	17,24	28,64	..	11,40
Machinery	1,13,33	1,33,30	..	19,97
Railway Plant and rolling stock	7,12	8,79	..	1,67
Other articles at 10 per cent.	73	79	..	6
Miscellaneous at 25 per cent.	66,18	64,24	1,94	..
Silk and artificial silk	2,55,25	1,06,41	58,84	..
Cinematograph films (exposed)	6,76	9,17	..	2,41
Iron and Steel, protected	1,09,75	84,25	25,50	..
*Heavy chemicals, protected	4,48	18	4,30	..
Silver wire and thread	8,33	5,71	2,62	..
Paper and Stationery, protected	21,19	23,60	..	2,41
Sugar	6,84,79	4,72,64	2,12,75	..
Cotton piece-goods	6,52,64	4,60,85	1,91,79	..
Matches, etc.	40	29	11	..
Wood pulp	8,80	11,49	..	2,69
	24,08,80	18,45,10	6,06,20	42,50

Nett loss—5,68,70.

* Protection removed in 1933-34 except for one item. Duty collected in 1933-34 included under miscellaneous.

Separate note by the Honourable Mr. Mahmood Suhrawardy, the Honourable Mr. Hossain Imam and the Honourable Mr. V. V. Kalikar.

In this note which we are attaching we desire to stress the emphasis laid on the fact that the period of fifteen months during which the preferences have been in existence is much too short to enable us to arrive at definite conclusions as to the results of the scheme of mutual preferences. When a further period has elapsed and fuller foreign trade information is available it will then be possible to come to more definite conclusions on many important points connected with the effects of preference, in particular we shall then be in a position to examine the trade statistics from the points of view of what is called "diversion". In the meantime we wish to add the following considerations to which we have given careful thought as we are convinced that the success or failure of

the Ottawa Agreement should be viewed from a special standpoint. Sir George Schuster at Ottawa expressed the view that India's greatest need at the moment was to have an increase in the price level of home commodities. It is therefore our object to see how our prices have improved by the grant of preference. The effect of preference on trade can conveniently be divided into three categories and possibly a fourth.

- * (A) (i) Where preference is granted to a producer, who supplies only a small portion of market at competitive prices, then if he does not increase his trade he retains the entire advantage of the preference.
- * (B) (ii) If the producer wants to expand the market he brings down his price^s below what he could obtain and takes a bigger share of the market^t and thereby transfers part of the advantages to the consumer, and both the consumer and the producer benefit.
- * (C) (iii) If preference is granted to the suppliers of the majority of requirements of the consumer, the result is that the suppliers of unpreferred articles, in order to retain their share in market, usually bring down their prices to the level of preferred articles. Thus advantage of preference is retained entirely by the consumer.
- * (D) (iv) There is another aspect of preference which deserves consideration. Producers whose landed cost at the consuming centre is higher than that of the other competitors, are enabled by preference to acquire a market in the consuming centre. In this kind of preference, although there is no direct burden on the consumer, yet it has a great effect on the national exchequer. There is the resultant deficit in the customs income without saving to the consumer, entailing new taxation on the nationals of the consuming country and the preference is regarded as indirect subsidy to the producer and is therefore distinctly to the advantage of supplier as it enables them to expand their trade.

2. Arising from the above four principles we come to the conclusion that preference is of advantage to the granting country and the consumer if it comes in the third category and to a certain extent in the second class. It is of greatest advantage to the producer if it falls under the first heading and to a certain extent if it is either second or fourth order. We attach Schedules I and II.

3. In valuing the advantages of Ottawa one cannot lose sight of the fact that while Britain enjoys uncompetitive preference in our market we have been given preference in some of the commodities with a host of competitors, the members of the British Commonwealth of Nations. This as a necessary corollary brings an element of competition among the preference holders in the United Kingdom market, necessitating price cuts and other disadvantages to Indian suppliers in some commodities, while England is safe from all these worries.

4. A further contributing cause which cannot be lost sight of is the transport costs from the producing centre to the consuming markets. No enquiry under this head has so far been made; but what little we can find out from the general information available to us, leads us to believe, that India is heavily handicapped in this race. It would be of great advantage to India if an enquiry is made to find out what advantages have been acquired by our competitors in the United Kingdom market and what disadvantages have been heaped on India from March 1932. It would also help us if we could know how far the shipping charges from the United Kingdom to India in our commodities have been altered during this period. This enquiry will no doubt cost us something but we feel sure that the advantages which will accrue, will more than compensate the small outlay. Exploration of avenues which will increase our trade ought not to be grudged. Sir James Grigg in his speech on 20th August in the Council of State stated as follows:

"In my view, a much healthier way of creating a favourable balance of trade is to stimulate exports, and this is of particular importance to India whose main products are agricultural."

As we are in entire agreement with this dictum of the Honourable the Finance Member, we commend this line of action to Government and Council.

5. The Chairman suggested five heads under which we should examine the working of the Ottawa Pact. While in agreement with him, we would like to stress the fact that prices of our export articles are an important item and they should also be given prominence. The trend of our world export trade involving expansion of whole trade or a

* A, B, C and D refer to the sub-heads in Schedules I and II.

diversion are to be fully considered. We note below a few special considerations about some of the important articles of our export trade:—

Wheat.—During 1933-34 we did not take any advantage of the preference in wheat but lately some export is taking place. We can take full advantage only if the railway freights are reduced and a propaganda is started to stimulate export. Even when Karachi prices were 5s. 1½d. below the London prices in August 1933 there were no exports.

Rice.—While United Kingdom takes only 5·3 per cent. of our total export in this commodity we as a matter of fact supplied more than 90 per cent. of the United Kingdom's requirement in the particular class in which our rice is included (Appendix I). The fall of 25 per cent. between 1931-32 and 1933-34 of our total trade with countries not granting preference calls for special notice. This may be accounted for by the reduced purchasing power of our chief consumers of rice and it is attributable to the decrease of our purchases from those countries. This tendency of self-sufficiency of India and reliance on Empire markets for our requirements by the Government will bring in its trains as a logical consequence a decrease in purchases of our raw produce by our foreign customers. It is from the agriculturist's point of view that we cannot but look with disfavour on any tendency towards contraction of the purchases of our foreign customers. It is a tragedy that while our total export trade in this commodity has fallen materially even our home market is being invaded by Siamese rice. In England, although we get a preference of 9s. 4d. per cwt., our price fell down from 8s. 7½d. in January, 1932 to 5s. 9½d. in March, 1934. We are now supplying almost the entire demand of England in this class of rice and Saigon is practically out of the market.

Vegetable oils.—It is a regrettable feature of our trade with the United Kingdom that although there is an increase of 60 per cent. in quantity of our export to the United Kingdom between 1931-32 and 1933-34 yet the price advanced only by 19 per cent. while in countries not granting preference the quantity exported and the price both increased by 43 per cent.

Linseed.—The increase in our exports of this article to the United Kingdom is greatly influenced by the failure of the Argentine crops. Therefore all the gain is directly attributable to that cause, but a noteworthy feature is that our parity with the LaPlata linseed fell from 132 to 117 between January, 1932 and January, 1934, a reduction of 15 points. The price in January 1932 of this commodity was 2s. 10½d. per cwt. higher than LaPlata but in January, 1934 it was only 11½d. higher than the duty paid price of LaPlata.

Coffee.—Trade with other countries was increasing more rapidly in the last three years than trade with the United Kingdom.

Tea.—The whole issue has been clouded by the Tea Restriction Scheme which has materially affected the prices as well as the total trade. We cannot isolate any advantage accruing from preference as apart from the restriction scheme.

Coirs and coir matting.—It is noteworthy that between 1931-32 and 1933-34 our trade with United Kingdom had a setback and our trade with foreign countries increased. There is an increase of 60,000 cwts. in our total trade and 76,000 cwts. with foreign countries with a fall of 33,000 cwts. in the United Kingdom between 1931-32 and 1933-34.

Cotton and cotton manufactures.—Our trade with United Kingdom is an insignificant part of our total trade and the possibilities of getting preference from the non-self-governing Colonies in manufactured articles are to be explored as the Colonies have a favourable balance of trade against us in the preferred articles.

Hides.—The fact that our price in foreign countries has registered a slight increase between 1931-32 and 1933-34 is contrasted by a distinct fall in value of our export to the United Kingdom and it is further confirmed by the market quotations on page 49 of the departmental Report.

MAHMOOD SUHRAWARDY.

HOSSAIN IMAM.

V. V. KALIKAR.

SCHEDULE I.

Exports from India to U. K.

Sub-head A or D—

Cotton manufacture 10% (1932) 12.69 lakhs.

Sub-head B (divided advantage)—

Rapeseed oil 16 to 28% 23 lakhs.
 Cotton yarn 14 to 20% 1.35 „
 Oilseed cake 29 to 44% 82.15 „
 Paraffin wax „ 54.70 „
 Bran and rice, etc. „ 37.00 „
 Magnesite 20 to 35% 2.84 „
 Granite setts 4 to 16% 3.05 „
 Sandal oil 16 to 31% 6.22 „

Total B Rs. 187.54 „

Sub-head C (advantage to U. K.)—

Rice 95% 51.98 lakhs.
 Castor oil 89% 10.17 „
 Groundnut oil 95% 6.25 „
 Linseed 50% 2,00.00 „
 Coffee 50% 34.40 „
 Tea 86% 17,58.16 „
 Coir yarn 100% 14.09 „
 Coir matting 99% 44.19 „
 Tanned hides 96% 2,38.34 „
 Tanned skins 84% 2,91.78 „
 Goat skins 89% 77.09 „
 Jute goods 99% 1,60.22 „
 Spices 75% 7.43 „
 Teak 93% 39.88 „
 Woollens 55% 56.49 „
 Castorseed 96% 21.61 „
 Groundnut 99% 35.22 „
 Lead 96% 1,29.78 „
 Tobacco (unmanufactured) 46.94 „

Total C Rs. 32,21.02 „

Advantages
to India.Advantages
to U. K.

A or D. 12.69 lakhs

B 93.77 „ 93.77 lakhs.

C 32,21.02 „

Grand totals 1,06.46 (India) 33,14.79 (U. K.) Lakhs.

SCHEDULE II.

Export from U. K. to India.

Sub-head A (below 50%)—

Apparel 33 to 29% 20.06 lakhs.
 Building material fall 12% 20.89 „
 Cork manufacture 39 to 10%58 „
 Glue 25 to 22%96 „
 Leather 42 to 36% 12.50 „
 Paper 10 to 6% 2.81 „
 Provision 32% 53.33 „
 Woollens 28% 57.44 „
 Toys 22% 11.62 „
 Umbrellas 9 to 4% 3.55 „

Total Rs. 1,88.74 „

Sub-head D—

Differential duties—
 Iron and Steel 1,64.38 lakhs.
 Cotton goods 8,58.05 „
 Preferential duties—
 Motor cars & buses 1,18.50 „
 Toilet Soaps 23.78 „
 Machinery (Figures not available.)

Total Rs. 11,64.71 „

Sub-head B—

Boots and shoes 25 to 29% 5.26 lakhs.
 Brush 11 to 18% 4.72 „
 Buttons 6 to 11% 1.05 „
 Chemicals 52 to 55% 1,49.00 „
 Cordage and rope 34 to 42% 2.49 „
 Cutlery 23 to 27% 8.41 „
 Drugs 40 to 53% 16.38 „
 Earthenware increase 12.24 „
 Hardware 29 to 33% 92.00 „
 Aluminium and other metals 1,16.45 „
 Pasteboard 14 to 22% 6.65 „
 Rubber 40 to 62% 1,16.23 „
 Stationery 35.17 „
 Mineral oil 13 to 23% 25.55 „

Total Rs. 5,89.57 „

Sub-head C—

Asbestos 67% 11.22 lakhs.
 Arms 91% 0.58 „
 Cycles, etc. 71% 62.67 „
 Furnitures 68% 8.65 „
 Instrument 51% 2,06.00 „ (provi-
 sional).
 Liquors 64% 65.00 „
 Paints, etc. 68% 44.09 „

Total Rs. 4,07.21 „

Advantage to India—

C. plus $\frac{1}{2}$ B. Rs. 7,02.00 lakhs.

Advantage to U. K.—

A. D. $\frac{1}{2}$ B. Rs. 16,48.24 „

Total Rs. 23,50.24 „

APPENDIX I.

Imports of cleaned whole rice into the United Kingdom.

						Imports from		
						British India.	Fr. Indo China.	Siam.
1928	.	.	.	{ Cwt.	(000)	484	9	36
				{ £	(000)	354	6	22
1929	.	.	.	{ Cwt.	(000)	448	..	9
				{ £	(000)	318	..	8
1930	.	.	.	{ Cwt.	(000)	413	..	6
				{ £	(000)	252	..	3
1931	.	.	.	{ Cwt.	(000)	453	5	20
				{ £	(000)	198	5	12
1932	.	.	.	{ Cwt.	(000)	527	3	6
				{ £	(000)	250	1	4
1933	.	.	.	{ Cwt.	(000)	644	(a)	(a)
				{ £	(000)	282		

(a) Figures not available.

PRESENTATION OF THE RAILWAY BUDGET FOR 1935-36.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I have the honour to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1935-36 in respect of railways. It has been my misfortune in the past to present to the Council what must have been considered as rather gloomy statements and forecasts. Railway earnings are however like the tides; they rise and fall. It would appear that low tide was reached during 1932-33, and that now there is every indication that we are on the rising tide. I know that in the past I have been accused of being an optimist, but I think that the figures which I shall place before the Council to-day, will show that this optimism has been justified and that the Railways of India are now well on the road to a period of prosperity. I do not say for one moment that we shall not have set-backs, but unless our calculations are entirely upset by events outside India, over which we have no control, I believe such set-backs as we do have, will only be temporary. Ever since the beginning of the financial year 1933-34, our earnings have shown a tendency to rise. During that year our gross earnings amounted to 86.63 crores as against 84.43 crores for 1932-33. These results would have been better to the extent of about $\frac{1}{2}$ a crore but for the fact that, owing to the holidays at the end of the financial year, this sum could not be taken into account. Our earnings during 1934-35 will, of course, be swelled to this extent. In placing the Budget for 1934-35 before the Council, I estimated that our gross earnings would be about 2 $\frac{1}{2}$ crores better than for the previous year, or a total of 89 crores. To date, our anticipations have been more than realised, and we now think we are on reasonably safe grounds in estimating our total traffic receipts at 90.75

crores for this financial year. With these results before us, I think we are justified in approaching our task of making our budget estimate for 1935-36 in a spirit of optimism. We, therefore, propose to assume that we shall get a further increase of 2 $\frac{1}{2}$ crores in our earnings which will raise these to 93 $\frac{1}{2}$ crores. If our anticipations are realised, we shall be in a position to meet all our liabilities so far as commercial lines are concerned, and the deficit will be reduced to under 2 crores, or approximately the loss on strategic lines. To emphasise the point that I have already made that we are now apparently on a rising tide of railway earnings, I would repeat the figures I have already given of actuals and estimates. During 1932-33, the trough of the depression, our earnings were 84.43 crores. During 1933-34 they rose to 86.63 crores, and our revised estimate for 1934-35 places these at 90.75, and for 1935-36 we estimate they will amount to 93.50 crores.

2. The figures I have given are our gross traffic receipts, but the real indication of prosperity is the net earnings, i.e., the difference between gross earnings and working expenses. How have we fared as regards working expenses? Has all that is possible been done during the lean years to adjust these to falling earnings? I think we can justify our claim that the Railways of India have done their utmost to cut their coats according to the cloth available. In 1929-30 the last year of peak traffic the working expenses rose to 55.59 crores, by 1932-33 they had been reduced to 49.08 crores—a decrease of just over 6 $\frac{1}{2}$ crores. In 1933-34 with an increase in traffic they rose to 49.50 crores, in 1934-35 we estimate they will be 50.10 crores and our budget estimate for 1935-36 is 51.15 crores. Thus, between 1932-33 and 1935-36, though we anticipate an increase in earnings of just over 9 crores we hope to obtain this with an increase in working expenses of about 2 crores. When it is borne in mind that during 1932-33 our staff was subject to the full out in pay which reduced our working expenses by 193 lakhs, we shall, if our estimates prove correct, and taking into account varying factors, etc., obtain 9 crores of additional revenue from an increase of only about two-thirds of a crore in working expenses.

3. A simple mathematical calculation which I propose to do for the Council will show that our net traffic receipts for 1932-33 were 35.35 crores, for 1933-34 37.13 crores, our revised estimate for 1934-35 is 40.65 crores, and our budget estimate for 1935-36 is 42.35 crores. From these amounts has to be deducted the appropriation to the Depreciation Fund. After making this deduction and adding the net result of our miscellaneous receipts and charges, if we had been a private company, we should have had available for payments of dividends during 1932-33 and 1933-34, 22.68 and 24.62 crores respectively. Our estimate for 1934-35 is 27.60 crores and for 1935-36, 29.79 crores. Unfortunately we are not in the position of a private company, and we have got to meet fixed interest charges. The result was that in 1932-33 and 1933-34 we were short in these interest charges by 10 crores 23 lakhs and 7 crores 96 lakhs respectively. During 1934-35 we anticipate that our deficit will drop to 4.24 crores and in 1935-36 to 1.90 crores. The position for 1935-36 will be that our deficit will be rather less than the loss on strategic lines, that is, the Railways of India, as a commercial concern, after meeting all their charges, will have a small surplus.

As the Council is aware, since our reserve fund has been exhausted, we have met our deficits by loans from the Depreciation Fund. Despite these heavy withdrawals, the balance in the Depreciation Fund at the end of 1935-33 should be 12.87 crores. Though no one can see into the future, I have every hope that, when I place the budget estimates for 1936-37 before the

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Council next year, I shall be in a position to estimate for a surplus for commercial and strategic lines combined.

4. Despite the undoubtedly more cheerful outlook, there is one rather depressing feature. Goods traffic is entirely responsible for our increase in earnings; our passenger earnings still show a tendency to decrease. For this the reasons are not far to seek. The country has been passing through a period of depression and people have little money to spend on travelling, but with a return to prosperity we hope the travel spirit will again evince itself, and in this belief we have allowed for a small increase in passenger earnings during the next financial year. In an endeavour to regain traffic we have, as an experiment, made a general reduction of fares on the North Western Railway. The result of this for the first 12 months, during which it has been in force, has been an increase in the number of passengers travelling as compared with the previous 12 months, of 6 million or 11 per cent., but a decrease in earnings of 4 lakhs or 1 per cent. We are also trying a somewhat similar experiment for 3rd class traffic on the Great Indian Peninsula Railway, and we have introduced return tickets on the Eastern Bengal Railway. It is yet too early to say whether these experiments are going to pay or not. We are, however, still up against a problem—a problem that, if I may say so, has baffled the ingenuity of our Railways to grapple with, that is, relating to those who feel they have an inherent right to travel by railway without paying for their journey as other fellow citizens do. The extent of the evil can perhaps best be gauged from the fact that in 1933 nearly 3 million passengers were detected travelling without tickets. This, it is believed, is only a fraction of the number who travelled similarly but were not detected. Had it been possible for us to have had two or more ticket examiners on every train the facts that would have been disclosed would have, I feel sure, enabled the public to realise the seriousness of the situation. How many crores of revenue the Railways of India have lost on this account it is difficult to estimate, but it is the honest passenger who has to pay more for his travel to cover what the Railways lose on the ticketless traveller. I think Railways may justifiably look to public opinion to assert itself in this matter and support them in the measures that they desire to take at least to mitigate, if not eradicate, this evil. Railways have suggested amending the Indian Railways Act in order to make the penalty for those found travelling without tickets sufficiently deterrent. We have asked Railways for their views as to what amendments in the Act they would recommend, and it is our intention to discuss this matter, in due course, with the Central Advisory Council for Railways before deciding on the steps to be taken.

5. Our passenger earnings, like those of the Railways of every other country in the world, have undoubtedly been affected by the growth of motor transport, and Honourable Members will perhaps expect me, on this occasion, to make some observations on the somewhat complex problem of competition between the railways and the roads. It is a problem which practically every country in the world has to solve. Each is endeavouring to find a solution compatible with the conditions there prevailing. Here in India also the problem has within recent years assumed an importance which compels early action being taken before it reaches a stage at which co-ordination will become more difficult. I have no desire to exaggerate the seriousness of the position so far as it affects our railways. We realise that there is considerable room for the expansion of both our roads and our railways. That the expansion of the one should be complementary to the other is a doctrine to which no one, I believe, will take exception. Honourable Members are perhaps

aware of the first meeting of the Transport Advisory Council held here last month, which, apart from anything else, showed how completely in agreement were all those who are responsible for the development of railways and roads, in regard to the necessity for the adoption of measures to ensure systematic development. There is to us only one criterion that is paramount in these matters and that is the public interest, which is synonymous with the interest of the general taxpayer.

6. I know it has been suggested that road competition is good for Railways, as it tends to make Railway Administrations give more careful consideration to the improvement of their services. I do not propose to controvert this view. But Honourable Members will no doubt appreciate the point that it is not a lack of willingness that prevents Railways from improving their services. All improvements call for increased expenditure, and while Railways are quite prepared to take the long view that an immediate return cannot reasonably be expected, they cannot in the public interest adopt the numerous suggestions they receive for more frequent services and the provision of other facilities, which, their experience and local knowledge tell them, would involve expenditure out of all proportion to the convenience afforded. I can, however, assure this House that Railways fully realise and appreciate the necessity for keeping abreast of the times and are doing whatever is practicable to meet all reasonable requirements.

7. As I have already said, the increase in goods traffic is entirely responsible for our increased earnings. A perusal of the statistics so far collected for this financial year shows some remarkable results. With the exception of oil seeds, sugar and jute, practically every commodity shows an increase. The increase in the tonnage of coal carried is over 11 per cent. with an increase of 12 per cent. in the earnings. We have carried 20 per cent. more rice with 10 per cent. more earnings. Our traffic in gram and pulses has actually increased by 30 per cent., both in tonnage and earnings. The greatest increase of all is in metallic ores, where our tonnage has increased by 40 per cent. and our earnings by 50 per cent. These figures alone, I think, show that commerce and industry in India are very definitely on the up grade. It was in earnest of this belief that we announced some days ago that the basic rate for the surcharge on coal would be reduced on 1st April from 15 per cent. to 12½ per cent. and be subject to a maximum of Re. 1 per ton. This will be of particular benefit to long-distance traffic. The overriding maximum of Re. 1 comes into operation at distances of above 700 miles from the coalfields.

8. While I am on the subject of goods traffic, Honourable Members will, I am sure, desire to know what progress has been made in regard to the question of a revision of the General Classification of Goods, a matter which we discussed with the Central Advisory Council for Railways last August. The lines which such a revision would take would depend entirely on the result of a detailed investigation of the traffic in each of the important commodities. The extent to which revenue is likely to be affected by any general revision of freight classification is so great that detailed statistics showing the volume of the traffic in each commodity, the zones within which it moves and the revenue earned therefrom, must be available before any further action is taken. A Committee was specially constituted by the Indian Railway Conference Association to examine and report on the statistics that should be compiled. The Committee's report was considered by the Indian Railway Conference Association at their meeting in October last when they decided that a further examination should be made as to whether it would not be possible to consider a simplification of the tariff without the preparation of the more elaborate statistics which their special Committee had recommended. The matter is

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coming up for further consideration at the meeting of the Conference Association next month. This contemplated revision of the tariff does not, however, preclude Railways from making meantime such alterations in their rates for goods traffic as circumstances call for. As a result of the discussion at the Crop Planning Conference in June last year, I believe Railway Administrations are now more closely in touch with those officers of local Governments who are endeavouring to facilitate the efforts of the agriculturist in finding a market for his produce. We hope that this co-operation will prove beneficial to both the producer and the consumer and incidentally make its influence felt by an increase in the earnings of our railways.

9. Increased traffic earnings are doubtless the life blood of Railways, but we must also take into consideration the cost of obtaining them. I have already given details of how our working expenses have varied with our earnings and said that we estimate we shall be in a position to carry 9 crores of additional traffic during 1935-36 with a relative increase in working expenses of about two-thirds of a crore as compared with the year 1932-33. How has this result been achieved? Undoubtedly we have been helped by a fall in the price of coal and general stores, but I think we may claim that the main reason is more efficient operation owing largely to the policy of the Railway Board, in the more prosperous times, of increasing main line capacity by the provision of up-to-date marshalling yards, strengthening of track and bridges, more powerful locomotives, higher capacity goods stock and the vacuum-braking of goods vehicles, but we must not forget that this greater efficiency, despite all these improvements could not have been obtained but for the co-operation of Railway Administrations and Railway staff from the highest to the lowest. Another factor which has helped is the policy of standardising all items of railway equipment. Our standards organisation was started 5 years ago on a temporary basis, but I am glad to say that this organisation has now, with the concurrence of the Standing Finance Committee for Railways, been placed on a permanent basis, and I feel sure that it will continue to add to the efficiency of Indian Railways, and, as years go on, be of more and more benefit to Indian industries.

10. I must now turn to our Capital and Depreciation Fund programme for the coming year. This is again a modest one. Despite the more favourable prospects ahead we have not considered it desirable to launch on a large programme of capital expenditure. In saying this I do not wish it to be understood that we are resting on our oars. This is far from being the case. We have constantly under investigation projects which will open up areas of country which have no means of getting their produce to the outside world and schemes which will reduce our expenditure and increase the efficiency of our railways. We are actually at the moment re-examining all projects which had to be postponed owing to financial stringency and which at the time they were last examined showed signs of giving a fair return on the capital expended. I hope it may be possible to include some of these in our budget for 1936-37. For 1935-36 our programme allows for a total expenditure of 15½ crores against our estimate for the present year of 10½ crores, or after allowing for a further reduction of ¾ crore in stores balances which will be reduced to 8½ crores, an actual cash outlay of 15 crores. Of this amount 9½ crores will be found from the Depreciation Fund and the balance of 5½ crores will be an addition to capital. The programme itself is, as I have indicated above, not spectacular. For new constructions we are only providing 26 lakhs of which 8 lakhs are for the Jhudo-Pithoro Railway started in the current year; 8 lakhs for the Megna Bridge to improve communications between Bengal and Assam, a very

long felt want—and 10 lakhs for the Madura-Karakudi project in South India. This project has been given a high place by the Madras Government in their list of recommended lines; but before we start construction we propose again to consult the Madras Government. This was the procedure recommended for all new railway projects at the recent meeting of the Transport Advisory Committee. Another project, which we consider will prove to be remunerative, is the extension of the electrified service on the Bombay, Baroda and Central India Railway from Borivli to Virar. This will give a direct electric service from Virar into Bombay and should prove of very great benefit to the travelling public. 44 lakhs has been provided for the purchase of the Amritsar-Patti-Kasur Railway. This is expected to yield a return of 7½ per cent. on the purchase price.

11. Of the balance, we propose to spend 4½ crores on rolling stock. Of this, locomotives and boilers absorb about a crore, coaching stock about 1½ crores and wagons 2½ crores. The total number of wagons to be ordered amounts to slightly over 5,000. These are in replacement of wagons already scrapped or to be scrapped this year and are essential if we are to meet the needs of traffic. Track renewals are estimated to cost 5 crores, bridgework 1 crore, and other structural works 3½ crores.

12. Sir, I have now to perform what to me is my most pleasant duty on this occasion, that is to bring to the notice of the Council the valuable services rendered during the past year to India by the Agents, officers and staff of our great railway system. We at Headquarters can direct and advise, but when all is said and done the prosperity of the Railways is in the hands of those who have to deal with the thousand and one problems which arise from day to day. In detail these problems may be considered not of very great importance. In the aggregate, however, they make up the policy of a Railway, and its success and prosperity must depend on their proper settlement. How are they being dealt with by the Railways? I think the figures I have placed before the Council are a sufficient answer to this question. (Applause.)

MOTION FOR THE ELECTION OF SIX NON-OFFICIAL MEMBERS FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I move:

"That this Council do proceed to elect, in such manner as may be approved by the Honourable the President, six non-official Members from the Council who shall be required to serve on the Central Advisory Council for Railways."

The Motion was adopted.

MOTION FOR THE ELECTION OF FOUR NON-OFFICIAL MEMBERS FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Education, Health and Lands Member): Sir, I move:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, four non-official Members to serve on the Standing Committee on Emigration."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : With reference to the two Motions which have just been adopted by the Council, I have to announce that nominations for these two Committees will be received by the Secretary up to 1½ A.M. on Thursday, the 21st February, 1935, and the dates for election, if necessary, will be communicated later.

INDIAN NATURALIZATION (AMENDMENT) BILL.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, I beg to move :

"That the Bill to amend the Indian Naturalization Act, 1926, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

This Bill, Sir, is of a somewhat technical nature and its provisions may perhaps be obscure to Honourable Members as they were to me when I first studied the file. I trust, however, I shall be able to make pretty clear to this Council what the provisions are and why this Bill has been introduced. The League of Nations undertook a codification of International Law. They went into the International Laws and examined various branches of them. One of the branches which they examined was the laws in force in various countries of the world governing nationality and naturalization. In the course of this examination they found that under certain circumstances, cases of hardship arise, and it is to remove one of these cases of hardship that it is necessary for us in India to amend the Indian Naturalization Act of 1926. The particular case of hardship with which this Bill deals is that which may arise in the case of a married woman. They are sometimes in the position of what is technically known as "statelessness". That means that they have no legal nationality, either by reason of the woman's marriage or during the continuance of that marriage by a change in the nationality of her husband. I might explain that expression "statelessness" in somewhat greater detail. The British Nationality Law lays down the general proposition that the wife of a British subject shall be deemed to be a British subject and the wife of an alien shall be deemed to be an alien. That is the law throughout the British Empire. But that is not the law in some other countries. It is not, for example, the law in the United States of America. If a woman who is a British subject marries an American, she ceases under the British Statute to be deemed a British subject and she does not under the American Law become an American subject. She is therefore stateless. Such a position of statelessness exposes a woman to certain difficulties and embarrassments. To take a fairly common example, she has difficulty in getting a passport. A passport is only given by a Government to its own nationals or people who have become naturalized in that country. That may cause some embarrassment in the course of her travels. Even her residence in the country is a matter of grace rather than of right. She is not a citizen of any country in the world. When this difficulty was discovered, the League of Nations took steps to get it removed by doing away with the conflict between the Nationality Laws in force in various countries of the world. A Convention was drawn up and an attempt was made to get the various countries to agree to its terms. A conference was then arranged under the auspices of the League of Nations which met at The Hague in the year 1930 and the various countries of the world, through their representatives, signed that Convention and agreed to undertake the necessary measures to give effect to it. At that Conference, India was represented by the late Sir Basanta Mallick, Sir Ewart Greaves and Mr. Latifi. Sir Basanta Mallick was a member of the Committee which

was in special charge of the particular matter with which this Bill deals, and signed the Convention on behalf of India, making a reservation only regarding the Indian States. Under the present Constitution, he was of course not in a position to commit them to any such Convention. That Convention having been signed, the Government of India intimated that they were ready to ratify the Convention provided the Indian Legislature passed the necessary legislation. The Bill which is now under discussion has been passed by the Lower House and I think it will be agreed that it is an entirely non-contentious measure. However, I will briefly explain its provisions and why in the statement of objects and reasons we have put down the four Articles of the Convention, to which I have already referred, in full. These four Articles—Articles 8, 9, 10 and 11—are designed to avoid the hardship which arises when a woman becomes stateless, either by reason of her marriage or by reason of a change in the nationality of her husband. The effect of marriage on the nationality of all British subjects throughout the Empire is regulated by the British Statute. Thus any changes in the law affecting that matter had to be made in the British Statute. This has been done by an amendment of the British Act in Parliament in 1933. The effect of a change of the nationality of the husband during the continuance of the marriage is regulated both by the British Statute and also by the Indian Naturalization Act. Empire-wide naturalization can only be given under the British Statute. But there is a more limited naturalization which is restricted to British India and can be given under the Indian Naturalization Act of 1926. As Honourable Members will have seen, there are three clauses which make slight amendments in the existing Act. The first amendment is to sub-section (1) of section 7. At present, under that sub-section, when an alien becomes a naturalized British subject, his wife is automatically also deemed to be a British subject. As Honourable Members will observe, that provision is contrary to Article 10 of the Convention which lays down that naturalization of the husband during marriage shall not involve a change in the nationality of the wife except with her consent. The important words are, "except with her consent". An amendment of section 7 is therefore required to bring it into line with Article 10 of the Convention, and that amendment is contained in clause 2 of the Bill. The next point is that section 9 of our present Act, which is amended by clause 3 of this Bill, provides that where a certificate of naturalization is revoked, and the holder thereby ceases to be a British subject, the Local Government may direct that his wife shall also cease to be deemed a British subject. Now, it might happen that the person whose certificate was revoked had a dual nationality and that his wife had not, and that if on the revocation of her husband's certificate the local Government directed that the wife should cease to be deemed a British subject the wife would thereby be deprived of any national status and reduced to the position, which I have already described, of statelessness. The proviso, therefore, to this section provides that the local Government shall not make such a direction unless by reason of the acquisition by her husband of a new nationality the wife also has acquired that nationality.

Finally, an amendment is made of section 10 of the Act. Section 10 provides for a declaration of alienage by certain persons who have acquired naturalization under the Act and sub-section (2) of that section provides that the wife of a person making such a declaration shall cease to be deemed a British subject. Here again, the wife might be reduced to a position of statelessness and to guard against that, we have added a proviso to that section saying that that shall not take place unless she had also acquired a new nationality. Those, Sir, are the three provisions of the Bill, and guards

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against this difficulty which has arisen in the past and which may arise in the future. It is, as I have said, a technical subject, but I trust this Council will accept it as being a necessary improvement of our naturalization laws. Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I do not wish to speak on this measure. I simply wish to ask certain questions for our personal information, the answer to which we could not find in his speech. I want to know what happens to a woman who has already got British nationality if she marries an Indian? Does she lose her British nationality or does she retain it?

THE HONOURABLE MR. M. G. HALLETT : I am afraid I am not in a position to give a legal opinion on the point. If the Honourable Member really presses it I am willing to look into the matter outside the precincts of this House and give him an answer in a day or two. It would be rash for me to pose as an international lawyer at this stage.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians) : May I put a question? What is the nationality of the woman under this Act if she is divorced from the husband?

THE HONOURABLE MR. M. G. HALLETT : That again is a question for which I must ask for notice.

THE HONOURABLE SIR DAVID DEVADOSS : My suggestion is that no provision is made in this Act for that contingency. A person becomes naturalized under the Act and then divorces the wife. What will be her nationality?

THE HONOURABLE MR. HOSSAIN IMAM : Articles 8 and 11 of this Convention have not been brought into this Bill?

THE HONOURABLE MR. M. G. HALLETT : That, I should have explained, is due to the fact that Articles 8 and 11 were made effective by an amendment of the British Nationality and Status of Aliens Act passed by Parliament in the year 1933. That Act covers those points. I can show the Honourable Member a copy of that Act if he desires.

THE HONOURABLE MR. HOSSAIN IMAM : Is that Act operative?

THE HONOURABLE MR. M. G. HALLETT : Yes, Sir, it is operative throughout the whole of the British Empire.

THE HONOURABLE THE PRESIDENT : The Question is :

"That the Bill to amend the Indian Naturalization Act, 1926, for certain purposes, as passed by the Legislative Assembly, 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 Preamble were added to the Bill.

THE HONOURABLE MR. M. G. HALLETT : Sir, I beg to move :

"That the Bill to amend the Indian Naturalization Act, 1926, for certain purposes, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

CINEMATOGRAF (AMENDMENT) BILL.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, I beg to move :

"That the Bill further to amend the Cinematograph Act, 1918, for a certain purpose, be taken into consideration."

If in the last Bill which I dealt with, I dealt with a technical legal question, and if I was unable to answer the legal conundrums put to me by two Honourable Members, this Bill stands on an entirely different footing. It deals with an essentially practical question and I trust if the same Honourable Members or others ask me questions about it I shall be in a better position to reply to those questions.

The Bill is designed to meet an evil which I think, literally speaking, we can say strikes one in the eye. Many of us when driving about the streets of Bombay or Calcutta or walking up the Mall at Simla must have noticed some of the posters put up to advertise cinematograph performances which, if not obscene, are certainly suggestive. To quote from an article which I have recently seen in a newspaper since I introduced this Bill in this House :

"Experience has shown that posters advertising films are even more objectionable than the films themselves. In fact it would not be difficult to cite instances in which films which have passed the Board of Censors are advertised by means of posters which lay undue emphasis on minor incidents designed to appeal to the baser instincts, while the main theme is ignored. It not only implies a perverted estimate of the public mind but must in the long run undermine it."

Similar opinions have been expressed at various times. This House will remember that some five or six years ago a Committee was appointed by the Government of India to go into the whole question of the control of cinematograph performances and they recommended that action should be taken to control also the posters by which such performances were advertised. They observed :

"It is undoubtedly true that posters like any other catch-penny device are often much more lurid than the goods they advertise. These posters are distinctively suggestive and as they are posted in public places may and do at times offend the cultured and possibly do moral harm to the ignorant and adolescent."

The question whether we should take action at that time was considered, but the practical proposal put forward by the Committee did not seem to the Government of India to be very sound. They did not recommend, as has been provided in this Bill, that the posters and advertisements should be subject to censorship. They only recommended that the police or a magistrate should have power to remove an offending poster. That did not seem to go very far. However at that time there were considerably fewer cinema houses in the large towns of India than there are at present. I see from today's newspaper from a speech in the Bengal Council that there are no less than 32 cinema houses in Calcutta and I take it there are an equally large number in the other

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large towns of India. With the increase of cinema houses there has been of course a corresponding increase in the number of posters displayed to advertise their performances, and we have had in recent years a good many protests from influential bodies drawing our attention to what I have described as the suggestive nature of some of these pictorial advertisements. From the Rotary Club of Lahore we got a protest three or four years ago in which they said that it was hardly dignified to have such posters glaringly displayed in that city. Other representations have been received from the Bengal Welfare Association, the National Christian Council of India, the Society for the Protection of Children in India, and from the National Council of Women. We have also received a representation last year to which I think considerable importance should be attached, and that is from the Bombay Municipal Corporation. They recommended that cinema posters should be censored so as to prevent the public display of objectionable posters.

I need say no more on this subject. I think every one will recognize that it is desirable to have some control over them. But it may possibly be suggested that the control which we are exercising by means of censorship may be somewhat troublesome to the trade. The procedure which we propose is that when the proprietor or licensee of a cinema hall wants to advertise a performance, or when the importer of a film or producer of a film in India which has been passed by the Board of Censors wants to advertise it, they shall produce before the Board of Censors the advertising material, or rather the pictorial advertising material which they propose to make use of. I understand that in the case of imported films when the film is sent out the producer of the film whether in America or England or wherever he may be sends with it a collection of advertisements which may be used to advertise it. These advertisements will be examined by the Board of Censors; some of them no doubt they will find are quite harmless; some they will cut out; those they will not be able to use. I do not think there is any need to anticipate that this will cause any undue hardship to the trade. In particular it will not hit in any way the industry which is now I understand rapidly growing up in India of the production of Indian films in India itself. That I understand is a promising industry. I have myself seen a film studio at Calcutta and I gather that is a very sound commercial proposition. So far as I have noticed myself from watching advertisements that appear as posters it is not the indigenous film that offends by using objectionable posters, but the imported films. If the producer or the licensee of a cinema hall uses an advertisement either in a newspaper or in a poster which has not been passed by the Censors he will be liable to a fine. The fine is not very excessive. It may extend to Rs. 500. That I do not think is unreasonable, but I think the mere fact that this Act has been passed will make the producers and advertisers of cinema performances both in this country and in other countries more careful of the pictorial representations which they use to advertise their wares and we shall not see on the walls of picture houses in the big towns pictures which are distinctly suggestive. When we were discussing this question, we consulted local Governments who agreed that action on these lines was desirable. We also consulted the Boards of Censors in the leading towns of Calcutta, Bombay, Madras and Lahore. They were all agreed that it would not affect the trade and it was desirable. Actually in Calcutta I understand that licensees of cinema halls and producers do show their advertisements informally to the Board of Censors to be examined before issuing them. There is however no statutory obligation on film producers to do so and there is no penalty if

they make use of a film the advertisement of which has not been passed by the Board of Censors. I do not think I need say any more, Sir. It is a perfectly simple matter designed to meet a very obvious evil and I trust the Bill will be regarded as uncontentious. Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I regret very much our inability to give notice of an amendment asking that the Bill be committed to a Select Committee. It was a regrettable omission of ours, but may I request the Government to condone this mistake by waiving notice and allowing us to take this Bill to a Select Committee, so that its provisions may be looked into more thoroughly than we can do in this House.

THE HONOURABLE THE PRESIDENT : Order, order. The Government has nothing to do with such a request. It is for the President to decide whether an amendment is permissible at this stage or not. As I have already informed you the Bill has been for nearly a week with Honourable Members and if they have not put in amendments in time I am not inclined to give them any further time.

THE HONOURABLE MR. HOSSAIN IMAM : May I say one word ? The Bill was published in the Gazette of India only day before yesterday. It has not been before the public for a sufficiently long time to give them an opportunity to give an opinion either in the press or on the platform. This affects an industry which is becoming a national industry, whose interests we cannot say have been fully safeguarded by the Government.

THE HONOURABLE THE PRESIDENT : You can bring in a Bill for amendment of this Bill at a later stage.

THE HONOURABLE MR. HOSSAIN IMAM : If we are not able to do this, they can postpone the consideration of this Motion to the next official day, so that we may be able to bring in a Motion after consulting the industry at least. If Government are not hard-pressed for time, they might postpone this Bill to the next official day.

THE HONOURABLE THE PRESIDENT : Your request is for the appointment of a Select Committee ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir. If the consideration Motion is deferred, we might be able to get some opinion from the industry.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House) : Where does the industry come into this business ? I fail to see how the industry comes into it at all. Does the Honourable Member want to treat the morals of the people as an industry ?

THE HONOURABLE MR. HOSSAIN IMAM : Government consider themselves always infallible, but we know how far they have made mistakes in the past. After all they are human beings and they are liable to make mistakes. In the wording of the Bill there might be some loophole and there might be some mistakes which would increase the evil to a greater extent. There might be things which the Government want to bring into the Bill but which are not

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sufficiently covered. Therefore, Sir, I request that it may be postponed for 15 days at least so that the industry and the public may have a chance of expressing an opinion.

THE HONOURABLE THE PRESIDENT: Even up to now you have no definite suggestions to make and I am not going to allow a Select Committee to be appointed on merely hypothetical grounds.

THE HONOURABLE MR. HOSSAIN IMAM: I wanted the Government to postpone the consideration of this Bill.

THE HONOURABLE MR. M. G. HALLETT: May I explain, Sir? The Honourable Member appears very apprehensive about the trade. The trade has been consulted and the Boards of Censors have taken the views of the trade. Apart from that, the Cinematograph Committee of 1928, from whom the suggestion originated, took note of the views of the trade. The Punjab Board of Film Censors were consulted and they considered that cinema posters have generally deteriorated since 1930. In February, 1932 after discussion with proprietors and managers of cinema houses in Lahore the Board took the line of action which is to some extent effective, but they agreed that it would be better to take action on the lines of this Bill. Then again the Calcutta Board have made a similar observation. The Board see no administrative difficulty nor do they think the proposal to censor pictorial matter will prove vexatious to the trade. In practice such advertisements are already shown to the Board before publication and there has been no difficulty. These authorities have thus consulted the trade and I cannot see myself for a moment how it will affect the profits of cinema halls, which are very large, or the cinema producers.

*THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern Non-Muhammadan): Sir, I should like just to make one or two observations. I should like to say that I am not quite clear in my mind whether it is desirable for us to take the responsibility for a measure which we have not considered carefully ourselves yet. Apart from that, Sir, I am not quite clear in my mind as to whether there ought to be legislation in regard to what are called obscene films. Some of the greatest literature in the world has been described by courts of law as obscene; some of the greatest books in the world have been described by courts of law as obscene and there have been criticisms of film censorship even in England. I am not quite clear whether the principle of censorship is right and therefore I am not prepared to share the responsibility for this measure and I must strike a critical note.

*THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces Nominated Non-Official): Sir, it is very unfortunate that some of the Honourable Members did not feel inclined to look into the Bill which was presented several days ago; but to commit the Council as a whole to saying that all the Members of the Council had no opportunity to go through the Bill will not be right. Therefore I thought it my duty to get up and say that as the Bill has been before us, we have carefully considered the provisions of the Bill.

* Speech not corrected by the Honourable Member.

It is an admitted fact and all Honourable Members who go to cinemas must have realized that on every occasion when the cinema starts there is a show for the sake of advertisement showing that such and such pictures are coming in the future.

12 Noon. They state that this picture will be shown after 15 or 20 days or is coming two weeks hence. These trailers are shown before the films come up before the Board of Censors and may not be fully censored because they are shown in advance of the films and before the films have been imported. Then there are posters in which only a certain portion of the film may be shown and being put down as posters do not come under the category of films and so cannot be censored under the existing law. Therefore, it is essential that in order to safeguard the interests of the people who go to see these and to keep up the morals of the community strict censorship should be applied to the posters as well as to the little advertisements which are shown during the intervals. I think, Sir, this is very essential. If the Council agree with the suggestion which has been made by my Honourable friend Mr. Sapru, that there is no necessity of any censorship, then certainly this matter may be dropped, but when we have agreed in the past that there should be a censorship on films, then there is no reason why there should not be a censorship on posters and a censorship on the little advertisements which are being shown during the interval. I think, Sir, nobody will agree with my Honourable friend that there is no necessity because India is still a country where the people have different ideas and a different set of rules. The films may not be considered to be bad films in the United States of America from where they are imported, but it must be remembered that conditions are very different here and things at which people in the United States of America look with great indifference may not be held to be good in this country. Therefore I do not think that there is any Honourable Member who will agree with my Honourable friend Mr. Sapru, that there is no necessity of any censorship. I think that there should be a censorship and I support this Bill.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I welcome this measure most heartily, having once been connected with the Board of Censors in the City of Madras for a long number of years, where we felt that the Board could not let these objectionable advertisements and posters pass. We had very often received protests from the Young Men's Christian Association and various organizations in Madras, but as the Act did not give power to the Board of Censors to deal with it, we were not able to do anything in the matter. I remember the year before last when we had a number of questions in which the matter was brought very prominently to the notice of the Board of Censors and as the Government have now come up with a measure to deal with advertisements as well as posters, I heartily welcome this measure and hope that it will be passed.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians): Sir, this measure has been overdue for some time. In the view of some of the Madras people, the posters do greater mischief than the films themselves for they are exposed in places which are open to the public and of the passers-by and some of them are very suggestive and improper things. In the cinema house itself, Sir, the pictures move so fast that people may not really see what is intended. If there is anything objectionable, unless people are very curious and on the alert, they may not see all that is passing. In the case of posters which are well exhibited and are kept on for a number of

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days, the impression created on the minds especially of young people is very injurious to morals, and therefore some of the Madras associations have strongly urged upon the Government to have legislation on this matter, and I therefore think that this matter should not be delayed even for a day because it affects the morals of the younger generation and the effect will be very detrimental to the interests of the country.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I support the Bill and in doing so I entirely agree with my Honourable friend, Sir David Devadoss, with regard to the evil influence which these posters exert. Last year some of the posters on one of the main thoroughfares of Bombay were so shocking that there was public clamour and they had to be blackwashed. Others which are not so bad are in fact very suggestive; the result is that their moral influence, not upon adults but upon the growing generation, is very bad indeed. Schoolboys and schoolgirls are simply devoted to cinema literature, a matter which does not seem to be sufficiently dealt with in the Bill. Does the Bill include leaflets, booklets and periodicals, some of which are also for sale? They describe not only films that are being exhibited but portray those to follow. The books of schoolgirls are full with cuttings of pictures of cinema stars and their conversation is confined solely to those.

Then, Sir, another point in regard to these posters is this, that the lower classes who do not know or understand the habits of life of the people of the West absorb a very poor idea of the morals of the white races; in fact, everybody according to them is tarred with the same brush. Under these circumstances I believe it is imperative that there should be a strict censorship of the advertising material in every shape.

* THE HONOURABLE MR. P. C. D. CHARI (Burma: General): Sir, I had no idea of intervening in this debate till my Honourable friend Dr. Sir Nasarvanji Choksy had spoken. I thought this was only a proper measure for censoring the advertisements. Some of the advertisements and posters are really very objectionable. But when I find there is a possibility of the censorship extending to various other things which were not originally contemplated by the framers of this Bill, I am very strongly opposed to the passing of this Bill which is likely to affect the various kinds of literature which are really enjoyed by a large section of the people. At the same time, it does not affect the morals of the people in any detrimental way. There may be some justification for censoring some of these posters because they are seen by a large section of people who do not know the habits and customs of the western peoples and there is a danger of the morals of these people being adversely affected. Sir, I am constrained to oppose the provisions of this Bill.

THE HONOURABLE MR. M. G. HALLETT: Sir, I do not think I need say much more on this Bill. I have had support from certain quarters, but the last speaker was afraid that certain forms of suggestive literature may not be available to everybody in future. I do not think that is a proposition which many of us would support but the Bill as it stands and its provisions should be clear to many of the Members of this House who are lawyers—refers

* Speech not corrected by the Honourable Member.

to any advertisement matter consisting of or containing any pictorial representation. It would not cover, I do not think, the magazines which do describe some of the films, but which are not publicly displayed.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): But if they contain objectionable matter, I think they would come under the provisions of the ordinary law.

THE HONOURABLE MR. M. G. HALLETT: I quite agree they could be dealt with under the Penal Code, if they were not merely suggestive but actually obscene. If it becomes necessary to enlarge the definition in the Indian Penal Code in regard to obscene publications, that is a different matter. But this refers to things publicly displayed which everybody can see without payment which are in the opinion of the Board of Censors objectionable and suggestive. I trust, therefore, that the House will accept the Bill which has been before them for at least four or five days. In fact, I notice that a newspaper had a long comment on it on the 14th. If such a comment can appear on the 14th, I think the Honourable Members opposite should have had time to study the Bill by the 18th.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): May I ask one question?

THE HONOURABLE THE PRESIDENT: It is rather a little late. You ought to have got up before the Honourable Member spoke. He will not have an opportunity of replying.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I only want to ask a question, Sir.

THE HONOURABLE THE PRESIDENT: I allow you to do so.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Has the Honourable Member received any complaints so far about the objectionable advertisements concerning the films prepared in India, or does it relate only to films which are imported?

THE HONOURABLE MR. M. G. HALLETT: The advertisements of imported films are, as far as I am aware, worse than that of films prepared in India.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Has he received any complaint about the advertisements concerning the films which are prepared in India?

THE HONOURABLE MR. M. G. HALLETT: No, Sir, I do not think we have.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: If he has not, will he confine this Bill to imported films alone?

THE HONOURABLE MR. M. G. HALLETT: No, Sir.

THE HONOURABLE MR. M. G. HALLETT : Sir, I would like to say something in reply to the Honourable Mr. Hossain Imam who contended that there has been "indecent hurry" over this Bill. I say there has been no indecent hurry. I introduced this Bill last Monday the 14th. It was on Wednesday or Thursday that it was commented on in the public press. If the Honourable Member thought that the Bill was of such importance that there ought to be some delay in passing it, he surely in the course of the last week, even though for three days he was occupied in discussing the constitutional reforms, could have found time to put in a dilatory Motion for circulation of the Bill for eliciting public opinion or for reference to a Select Committee. But he failed to do so. If he is correct that a Bill of this importance ought to go before the public, he has failed in his duty to the public.

Apart from this there is not anything left for me to answer. The Boards of Censors may be trusted to exercise their functions in a reasonable manner, for they are representative of all classes and communities in the big towns and no one need be apprehensive that the industry will suffer from the provisions of this Act.

THE HONOURABLE THE PRESIDENT : The Question is :

"That the Bill be passed."

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Thursday, the 21st February, 1935.

COUNCIL OF STATE.

Thursday, 21st February, 1935.

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

QUESTIONS AND ANSWERS.

ZANZIBAR DECREES.

39. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Do Government propose to make a full statement on the Zanzibar Decrees in the light of Mr. Menon's report and the meeting of the Emigration Committee ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Representations were made to His Majesty's Secretary of State for India on the lines approved by the Standing Committee on Emigration, and Mr. Menon's report together with certain connected papers were published in a Gazette of India Extraordinary, dated the 28th January, 1935. We have recently received the views of His Majesty's Government on our representations and these are under consideration.

RECOMMENDATIONS OF THE GOVERNMENT OF INDIA ON THE REPORT OF THE JOINT PARLIAMENTARY COMMITTEE.

40. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Have the Government of India sent their recommendations on the Joint Parliamentary Committee Report ?

(b) If the answer to part (a) is in the affirmative, what have they stated about the reception of the Report in India ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : (a) I very much regret the Honourable Member's question is not sufficiently understood to be answered. It is not clear what the Honourable Member means by recommendations, and to whom he thinks they have to go. Part (b) is still more difficult to follow.

ISSUE OF PASSES TO MEMBERS OF LOCAL ADVISORY COMMITTEES.

41. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA : (a) Will Government be pleased to state whether any circular has been issued in connection with the issue of free passes for the journey of the members of the Local Advisory Committee for Railways attending the meetings of the Committee ? If so, will they lay on the table a copy of such circular ?

(b) Is it a fact that the letters of authority to the station master concerned for supplying free tickets to the members of the Local Advisory Committee are issued only a week before the date fixed for the meetings ?

(c) Is it a fact that if a member, for his convenience, requests a pass for the journey to be sent a few days earlier, such a request is refused?

(d) Will Government be pleased to lay all papers in this connection on the table?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) I am placing on the table a copy of the Railway Board's letter No. 1125-T., dated 9th December, 1929, to the Agent, Madras and Southern Mahratta Railway, a copy of which was endorsed to the Agents of other Railways. No circular on this subject has been issued since then.

(b) Government have no information, but the practice in this respect may vary according to circumstances.

(c) I have not been able to trace any such case as having been referred to the Railway Board.

(d) I am not quite clear what papers my Honourable friend refers to.

LETTER TO THE AGENT, MADRAS AND SOUTHERN MAHRATTA RAILWAY, No. 1125-T., DATED NEW DELHI, THE 9TH DECEMBER, 1929.

Issue of passes for members of Local Advisory Committees.

I am directed to refer you to the correspondence ending with the Railway Board's letter No. 1125-T., dated the 30th July, 1929, and to say that, on reconsideration, the Railway Board have decided that on State-managed Railways members of Local Advisory Committees, when travelling on business connected with the Committee, should travel on ordinary card tickets. These tickets will be issued on production of a letter of authority from the Agent, or any officer authorized by him, addressed to the station master of the station at which the journey commences: the letter of authority being forwarded by the station master to his Audit Office in support of his action in issuing the ticket free of charge.

¶ 2. I am to suggest for your consideration the adoption of a similar procedure for members of your Local Advisory Committee.

MURDER OF CASSIM MAHOMED MAITER IN SOUTH AFRICA AND THE POSSESSION OF FIREARMS BY INDIANS IN NATAL.

42. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state whether it has received any information about the recent murder of one Cassim Mahomed Maiter, who owned a store at Buffelsdraai, five miles west of Verulam, in South Africa?

(b) Has Government received information that there is much dissatisfaction among Indians in Natal with the fact that the Native Affairs Department of Natal turns down nearly every Indian application to possess a firearm?

(c) Is the Agent taking any steps to represent the grievances of Indians in regard to this matter?

THE HONOURABLE MR. M. G. HALLETT: With your permission, Sir, I will answer the question on behalf of the Honourable Member in the Department of Education, Health and Lands.

(a) Government have seen press reports of the incident referred to by the Honourable Member.

(b) and (c). The Agent of the Government of India accompanied a deputation of the Natal Indian Congress to the Chief Native Commissioner. The latter assured them that applications from Indians for firearms would be sympathetically considered.

NUMBER OF APPEALS AGAINST ACQUITTALS FROM SESSIONS COURTS TO HIGH COURTS.

43. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state the number of appeals against acquittals from Sessions Courts to High Courts in the various High Courts of India within the last five years?

(b) What proportion of these appeals has succeeded?

(c) Has Government received information that there is a feeling that the right of appeal against acquittals should be further restricted?

THE HONOURABLE MR. M. G. HALLETT: (a) and (b). I would refer my Honourable friend to the statement showing the results of appeals in criminal cases which he will find appended to the Report on the administration of Criminal Justice in each province, copies of which are in the Library of the House. Appeals from acquittals are shown separately in the statement. Government have no information in regard to such appeals other than that contained in these statements.

(c) No.

ELECTION OF FOUR NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: I have to announce the names of non-official Members nominated for election to the Standing Committee on Emigration. They are:

The Honourable Mr. Mahmood Suhrawardy.

The Honourable Mr. Bijay Kumar Basu.

The Honourable Sir Phiroze Sethna and

The Honourable Sardar Shri Jagannath Maharaj Pandit.

As there are four vacancies and only four candidates, I declare them to be duly elected.

NOMINATIONS FOR ELECTION TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT: The following Honourable Members have been nominated for election to the Central Advisory Council for Railways:

The Honourable Diwan Bahadur G. Narayanaswami Chetty.

The Honourable Sir David Devadoss.

The Honourable Khan Bahadur Syed Abdul Hafeez.

The Honourable Mr. Mohammad Yamin Khan.

The Honourable Saiyed Mohamed Padshah Sahib Bahadur.

The Honourable Sardar Buta Singh.

The Honourable Sardar Shri Jagannath Maharaj Pandit and

The Honourable Mr. S. D. Gladstone.

There are eight candidates for six seats and an election will be necessary. I shall announce later on the date on which the election will take place in respect of this Committee.

GENERAL DISCUSSION OF THE RAILWAY BUDGET FOR 1935-36.

THE HONOURABLE THE PRESIDENT: General discussion will now proceed on the Budget (Part I).

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, the budget which the Honourable the Chief Commissioner for Railways presented to us was a brighter budget than the past ones. He tried to show us that it was a surplus budget as far as commercial lines were concerned inasmuch as there is a surplus of Rs. 7 lakhs. Personally, though from the way in which it has been presented it might seem to be a surplus budget, I think in reality it is a deficit budget. If we take it as a commercial department, it is necessary that we should follow all the rules of commercial houses. One of the fundamental principles of a commercial house is that all replacements of its existing assets must come from revenue and not from capital. Indian railways even in their days of prosperity did not follow this dictum. They always financed their renewals and replacements from capital. The result is that without increasing the earning capacity of the railways we are increasing the capital at charge. This results in undue increase, and other capitalization and by that the net results are reduced. As a matter of fact if we follow strict commercial principles only the purchases of old lines or the building of new lines and unforeseen expenditure like the expenditure due to the calamity of the earthquake can be financed from capital; all the rest should be financed from revenue account. If we had followed this salutary principle the amount of money set apart for depreciation would have to be increased. At the present moment Government have adopted the principle of one-sixtieth of the capital at charge as the contribution to depreciation fund. That, Sir, ought to be augmented if they are not going to make any provision for sinking fund. All the concerns usually make some sort of provision for sinking fund. Railways are in a strange position. Neither do they make any sinking fund provision for the Rs. 800 crores of capital at charge; they go one step further. The railway annuities which ought to be a charge on railways are being charged to general revenues. If those annuities were shown in the railway budget, reduction in the capital could be shown in the railway budget, and thereby a reduction would have resulted in the payment of interest. In the end it would have been more advantageous to the railways to take this responsibility on themselves rather than leave it on the general taxpayers.

The second feature which I find in the railway accounts is that the amount of sterling debts has remained stationary for all these years. They have adopted the principle that all the loans which are given by the Government should be taken as rupee loans, while as a matter of fact the Government had to contract sterling loans to finance railway purchases. It is undesirable that our rupee assets should be more than our rupee liabilities and the sterling assets are to a very great extent uncovered by any assets. This is bad accounting and I cannot understand why even this 120 million pounds which are shown as sterling capital at charge have been converted at neither of the prevailing rates of the Government, I mean neither have they been converted at 1s. 4d., nor 1s. 6d. nor even at 2s. to the rupee. They have been converted at the rates which were operative in the years in which these loans were contracted. The result is it stands midway between 1s. 6d. and 1s. 4d.

Sir, I cannot understand what is the meaning of the fact that in Demand No. 8, sub-head 2, the management of debt charges have been shown at the paltry sum of Rs. 2,78,000? As a matter of fact, more than two-thirds of the Government of India loan are represented by the railways and the expenditure of the Government of India on the management of debt amounts to more than Rs. 30 lakhs. How this small amount has been debited to the commercial account is beyond our understanding. I hope the Honourable the Railway Member will tell us how it has been arrived at.

Last year, Sir, we also tried to induce the Government to follow a line of conservatism in the purchase of new wagons. At the present moment the Government is going to purchase about 5,000 wagons. The position, as far as I have been able to find from the Administration Report, is that the wagons are not being utilized to the same extent as they were utilized in the year 1930 or the other years. Even in this year, Sir, there is a great deal of difference between one railway and the other. For instance, for the East Indian Railway the actual figure for the net mileage per wagon per day is 323, and for the Great Indian Peninsula it is 374, in Statement 24 of the Administration Report. Still, Sir, although the Great Indian Peninsula are utilizing their wagons more, the purchase is more for the East Indian Railway than for the Great Indian Peninsula. And they are still very much below their record in times of prosperity. I find, Sir, that in 1929-30 the East Indian Railway wagons were being utilized at the rate of 375 net wagon miles per day and the Great Indian Peninsula at the rate of 428. So you can see, Sir, that it is lagging very much behind the maximum utility to which it could be put. Then, Sir, I very much regret that in all the 56 statements which are published in Volume II of the Administration Report there is not one to show how many wagons and how many locomotives and coaching stock was scrapped in each year. We find a bare statement in Volume I that 3,928 broad gauge and 1,008 metre gauge wagons have been scrapped. These statements, Sir, do not give the distribution in each railway. The statement which is published in the Administration Report, Sir, simply says that so much net addition or deduction has been made. That means that if we had a thousand new wagons and scrapped 500, the net result would be +500. Therefore that does not help us to find the exact number which are being put in from new stock and the numbers that are being scrapped each year. Sir, the rolling stock programme is a bit ambitious. The Pope Committee in its second session recommended that more intensive use should be made of locomotives and the wagons should be more thoroughly worked. One thing which has struck me, Sir, in this connection is that from Statement 10 of the Administration Report I find that the present position is that, although there are about a lakh and a half wagons in stock of the State-owned railways, the number on the lines is less. As a matter of fact, this year's report shows that 5,598 or 3.7 per cent. less wagons were on the line than those owned by the State-owned railways. This means that those were either lying idle in the workshops or they were on foreign lines. However that might be, it is not proper that such a percentage as 3.7 should lie idle and still new wagons are being purchased. The replacement, Sir, at the rate at which we are purchasing today comes to about 1/29th. That means that the life of a wagon is less than 30 years. It seems to be rather a short period for the life of a wagon. I wanted to see, Sir, what has been the programme of the railways during the years of prosperity. I saw, Sir, that in 1927-28 and 1928-29, both years combined, we purchased less wagons than this year. That shows, Sir, the ambitiousness of the programme because in the days of prosperity when we had good income we did not purchase more

[Mr. Hossain Imam.]

than 5,000 wagons in these two years. Again, Sir, in the years of depression troubles, I mean 1930-31 and 1931-32, in both those years combined, we purchased fewer wagons than we are purchasing this year. Now, Sir, it seems to me that the Government is practically embarking on an unduly expensive programme. A turn of the wheel, a little turn of the wheel, which has not been of prosperity, as I say, but a little less of adversity, has given the Government so much confidence that they feel that no more vigilance is required. I think, Sir, that the economic campaign should be carried on at every step and all the time. Even when we are in the enjoyment of prosperity we should not give it up because unless we economize in these commercial concerns we do not know how far we can go ahead. There are a lot of commitments which are not disposed of in a year or two, but take several years to completely wipe out, and if Government do not start being economical from the very beginning the result will be that we will be landed again in a morass as in previous years.

Now, Sir, I wish to say a few words about the recruitment of Muslims in the railway service. Sir, this notification that the Government of India had fixed 25 per cent. as the proportion of Muslim recruitment shows that the Government as usual has failed to give to the Muslims what it professes to give. This notification, Sir, has hedged in even this percentage, by fixing it not for total recruitment, but for direct recruitment. Now, Sir, the general principle in the railways and other departments of the Government is that nearly half the posts falling vacant are filled in by promotion from the lower grades, with the result that the Muhammadans get only 25 per cent. of that half, which means 12½ per cent. of the general recruitment of the office. It may be said, Sir, that in the end in the lowest grades there will be more vacancies and we will get 25 per cent. of the posts. But there too, I find there is a tendency in the department to promote men from the inferior grades into the lower grades and thereby this is not open to Muhammadans. This, Sir, is the first complaint, and the only way of remedying it is to fix a quota on the total recruitment and debit those who are promoted from the lower grades. I do not say, Sir, that Government should fix a quota for promotion, because after all promotion is made on ability, and in judging that, you can never ask that there should be communal discrimination. But as far as recruitment goes, if Government do wish to give something, they should give it fully, or not say what they do not mean to give. In the second place, I very much regret that in the East Indian Railway, which serves most of our provinces, the Government did not see fit to fix any quota for the recruitment of Muhammadans. The only instruction is that the present proportion should be maintained. We of Central India, Sir, in which western parts of Bengal, the whole of Bihar and the whole of the United Provinces are included, would have very much welcomed if the Government had fixed a 25 per cent. quota in the East Indian Railway. It serves the country in which the Muhammadans are in no way behind the other communities who inhabit these territories.

In conclusion, I should like to say that the contentment of its employees and an assurance that full justice will be done are necessary if this concern is to work successfully. No amount of lip sympathy can do this. Unless the Railway Board frame rules and regulations giving its employees the assurance and belief that justice will be done, this will not be a successful concern.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, I rise to congratulate the Honourable Sir Joseph Bore that he has been lucky enough to present us this year a hopeful budget, and we all trust that the hopes

entertained that in the coming years we shall have balanced budgets will be realized. But looking at the figures, I find that the budget is balanced so far as commercial lines are concerned, leaving a surplus of Rs. 7 lakhs, but owing to the fact that strategic lines are also included in the budget for commercial lines, we have got a very confused state of things. The budget shows a deficit of Rs. 190 lakhs. The reason is that the strategic lines come in for a loss of Rs. 197 lakhs. This really creates confusion. This loss of Rs. 197 lakhs ought to be debited to the Military Department. Really speaking, it is only an item of military expenditure and I do not see why, year after year, in spite of protests, both in this House and in the other place, the loss on strategic lines is taken into account in arriving at the working of commercial lines.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : May I ask the Honourable Member how he defines a "strategic line"? What are strategic lines? Name them.

THE HONOURABLE MR. P. C. D. CHARI : I have seen it in the budget statements. They are primarily intended for military purposes.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Is the Northern Railway not a strategic line—from Karachi to Peshawar? What else is it? It is my principal line of communication.

THE HONOURABLE MR. P. C. D. CHARI : The budget says that the loss on strategic lines is—

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : What are they?

THE HONOURABLE MR. P. C. D. CHARI : Strategic lines are maintained primarily for military purposes.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : You mean, if I may say so, the lines on the other side of the Indus? I will take them over tomorrow and I will give you one train a week to Peshawar and one to Quetta. That is all I want.

THE HONOURABLE MR. P. C. D. CHARI : It may be possible to arrive at a working arrangement that a portion of the loss on lines primarily meant for military purposes is borne by the Military Department. You cannot have a railway line and make use of it only once a week. The traffic that offers may do a good deal to reduce the loss.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I will take them over tomorrow and we will see.

THE HONOURABLE MR. P. C. D. CHARI : There is also one other aspect of this question. We find that military stores are being carried by the railways at concession rates. The military have also other concessions, like the concession given to British ranks, who are allowed to travel second class by paying third class fares. There are several other concessions like that. If all these are taken into account, that would amount to considerable expense, which now goes as a debit against commercial lines, but which really ought to go in as an item of expense in the military budget. That is what strikes me from a perusal of the papers.

THE HONOURABLE SIR JOSEPH BHORE : I would like to explain, with regard to that, that the Military Department is a very big customer of the railways and consequently it is entitled to some concession.

THE HONOURABLE MR. P. C. D. CHARI : Yes, they are entitled to some consideration, no doubt, but it does not mean that when you have a big customer, you will have to make a big gift. It may be possible to arrive at a figure which ought to be debited to the Military Department. Some sort of favourable arrangement may be arrived at. That is what I would like to urge. Last year, when the question was mooted, the Honourable Sir Joseph Bhore gave an assurance that the matter had been considered exhaustively from all aspects and that the delay in arriving at a settlement was due to his pre-occupations during the budget session, and that the matter would be decided very soon by the departments concerned. I hope, Sir, it may be possible for the Honourable the Commerce Member to give us an idea as to what really stood in the way of arriving at a favourable settlement. I am sure that the Commerce Member would have fought out the case in the proper way. The budgetary position of the commercial lines ought not to be made worse by having to make a sort of indirect contribution or subsidy to the Military Department.

THE HONOURABLE THE PRESIDENT : If your argument is sound, why should not the Indian States share a portion of the losses ?

THE HONOURABLE MR. P. C. D. CHARI : This may be the beginning of a series of re-arrangements which are necessary and which may be taken in hand by the Commerce Department. The military budget can bear a certain amount of the expenditure. Why should they have concessions from this department and that in the shape of several crores and show in the military budget less expenditure than what is really incurred ? That is my point.

The next point to which I would like to refer is the increased earnings from passenger traffic. We find that there has been a considerable increase in the earnings from goods traffic, but that is not so in the case of passenger traffic. The reason to my mind is not far to seek. In the case of the goods traffic motor transport does not compete very much with the railways, whereas in the case of passenger traffic the competition is real. The ordinary passenger who travels third class finds motor transport more comfortable. I would suggest, in view of the ever-increasing competition, that the Railway Board would do well to seriously ponder over this and take steps to provide more attractive travel by rail. In the case of upper class passengers I would suggest certain amenities to attract greater traffic. I would suggest heating installations during the cold season, especially in Northern India, for warming the compartments, and some cooling arrangement to keep the compartments cool during the hot weather. I would also suggest that compartments should be made more dust-proof than they are today. As regards the third class, there is much to be desired. The present state of things is very unsatisfactory, and any money that may be spent in improving the position will be really worth while in the sense that it will give a good return. I suggest that the berths in the third class should be widened, and bigger and more sanitary lavatories should be provided and the compartments should be fitted with fans. I would impress upon the Railway Administration the necessity of carrying out these reforms not merely in the interests of the travelling public but primarily in the interests of the Railway Administration itself. It is

necessary for them to take note of the serious competition between the railways and motor transport and it would be a very good business proposition to make railway travel more attractive and comfortable for the third class passenger particularly than it is today.

I would also make one or two suggestions to increase the passenger traffic. The reduction of fares has been tried on one railway, the North Western, and I hope they will adopt the same policy on other State-managed lines also. I would also urge the necessity of introducing concession return fares as much as possible. We have concessions during Christmas and Easter, and the same concessions may well be given in the case of fairs and festivals in particular areas.

Then, coming to the question of working expenses, the Council would very much like to know if all the economies suggested by the Retrenchment Sub-Committee and the Pope Committee have been carried into effect ? I hope the Railway Administration will profit by the lessons they have learnt during these lean years of depression. I would urge the necessity of not relaxing their vigilance in keeping down the expenses as much as possible, taking advantage of the economies they have been compelled to make during the depression.

I would like to refer to a few complaints which have been made against the Burma Railways. There is a well known rule enunciated by the Railway Board that in the matter of appointments axed men should be preferred. This rule, I understand, has been observed in Burma by the Agent of the Burma Railways more in the breach than in the observance, and I would urge the Railway Board to go into this matter and see that effect is given to the wholesome rule enunciated by them. My second complaint against the Burma Railways is that, because the children of domiciled Indians in Burma go by Indian names and wear Indian costume, their claims in the matter of appointments are overlooked and they are treated as fresh Indian emigrants. I hope that the railway administration in Burma will in future be impressed with the view that the children of domiciled Indians in Burma are entitled to the same consideration as the children of Burmans. My third complaint against the Burma Railways is with regard to the registered union of its employees. This union has over 2,000 members drawn from various departments of the railway, but in spite of repeated requests the Agent of the Burma Railways persists and is still persisting in refusing to recognize the union. In this respect the Burma Railways are more than half a century behind the times. The unions of employees all over India have been recognized by the Agents of the various railways concerned, and I do not see any reason why the Agent of the Burma Railways should not recognize this union, which has come to stay and which is doing really good and efficient work on behalf of the employees of that administration. I hope the Honourable the Commerce Member and the Railway Board will see to it that the Agent of the Burma Railways is called upon to recognize the Burma Railways Union.

Then I come to the question of the restoration of the cut in the pay of railways servants. I do not see the reason for this haste in restoring the cut. The budgetary position shows that we are having a deficit budget. Why not wait till we can balance the budget before restoring the cut ? There may be some justification for restoring the cut in the case of employees getting Rs. 200 and less. If it is considered necessary—

THE HONOURABLE THE PRESIDENT : Will you please conclude your remarks.

THE HONOURABLE MR. P. C. D. CHARI: Yes, I will cut short my speech.

THE HONOURABLE THE PRESIDENT: Your time is up.

THE HONOURABLE MR. P. C. D. CHARI: If I am given two minutes more, Sir, I shall wind up. It is stated here that they are following the Government of India in the matter of the restoration of cuts. Probably the budget of the Government of India is balanced, or it may be a surplus budget, and what may be justified in the case of the restoration of cuts in the pay of the Government servants need not be followed here where we have a definitely deficit budget.

Sir, I now come—

THE HONOURABLE THE PRESIDENT: I am afraid I cannot allow the Honourable Member to go into a new point at this stage. He has already had two minutes over and above his time.

THE HONOURABLE MR. P. C. D. CHARI: One sentence and I conclude. I take this opportunity of voicing the emphatic protest of India against the establishment of the statutory railway authority practically ousting the jurisdiction and control exercised by the people through the central Legislature. This becomes a grievous wrong and a monstrous injury when this authority is sought to be established not by any Act of the central Legislature but by an Act of Parliament.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Sir, when we were listening to the admirable speech of the Honourable Sir Guthrie Russell it was difficult to shake off the impression that if his optimism had been justified in regard to earnings of railways it was not by any original effort on the part of the railway authorities to increase the traffic but by the beneficent intervention of Providence. It is not inconceivable that the railway returns would have been what they have been even if the railway authorities had taken to the philosophic method of taking things more easily than they appear to have done. There has been no serious effort to help the returning tide of prosperity to carry us to greater prosperity. There has been drastic economy, but many regard some measures of economy, particularly in departments managed by States as deepening the gloom of depression. What is needed is effort to lessen the gloom.

The Honourable the Chief Commissioner has told us that there has been no large increase in passenger traffic, but he has not said what efforts have been made to induce people to travel more than they do by railways. He tells us that motor transport is interfering with an increase in revenue on the railways from passenger traffic. But, Sir, the truth is that in these hard times motor transport has come as a Godsend to the people of this country. It is cheaper and it has the advantage of producing more frequent services than railways. So far as railway revenue from passenger traffic is concerned, with all the goodwill in the world for the railway authorities, it would be depriving the poor masses in their country of a great economic advantage to do any thing to deprive them of the facilities of motor transport. The fares on the railways compare very unfavourably with fares on motor omnibuses. So far as I know the railways have not taken steps to compete fairly with motor transport. Conferences have been held to help railways to compete with motor transport,

but if there has been initiated any scheme to attract more passengers to railways, Sir, I confess, I do not know. The railway authorities have it within their power so to reduce passenger fares and increase amenities for the travelling public on railways as to make travelling by railways more popular. Here and there, there has been a reduction in fares, but there has been no improvement in amenities of railway travel. Particularly so far as inter and third classes are concerned, one has only to see passengers in the respective compartments of the railway that comfort of passengers is even now only a distant consideration so far as railway authorities are concerned. I draw the attention of the Honourable the Commerce Member and the Chief Commissioner of Railways to the Bengal Nagpur Railway third and inter class running from Howrah to Nagpur and from Howrah to Puri and other places.

Even in first and second class travel, while fares remain very high, there is little improvement so far as accommodation and other amenities are concerned. It is no use saying that fares are considerably cheaper in India than in other countries. India is a poor country, or at least the travelling public in India is the poorest in the world. India should have the cheapest fares in the world. There has been no effort visible to introduce on a liberal scale the hundred and one devices to increase passenger traffic which railways in other parts of the world have introduced. Where are excursion fares, day return fares and other similar devices?

Then in the realms of freight rates. The Honourable Sir Guthrie Russell has placed in the forefront of railway achievement the reduction in the surcharge on coal, but, Sir, coal does not make all the goods traffic even in exports and there are imports. If exigencies of the industrial situation have necessitated imposition of higher customs duties, Sir, I think it is for the railways to reduce the handicap on imports by a liberal reduction in freight rates. India cannot live exclusively by its export trade. There should not only be a reduction in freights for exports but a general reduction in freight rates. There should also be offered every inducement both to exporters and importers to use railways more. On the contrary, Sir, one hears complaints from exporters and complaints from importers of slowness of railway transport, of excessive charges and surcharges and of innumerable other obstacles to easy trade. Indeed, if merchants are to be believed it is surprising that there is the volume of goods traffic that there is.

The railway authorities recently invited an expert from the London and Midland Scottish Railway to advise them how to economize. It seems to me that they should now ask one of the railway experts in England to show them how to attract more passenger and more goods traffic.

Another point to which I should like to draw the attention of the railway authorities is the way the rule about minorities in the railway service operates. When Muslims are allotted their share, I find, Sir, that it is Muslims from the United Provinces and the Punjab who are taken into account. Muslims from my province of Bengal are ignored. Their claims should receive due consideration.

Before I sit down, I draw the attention of the railway authorities to the matter of the purchase of stores. Under the head "Track renewals" provision has been made for rail and sleeper renewals. What amount is for purchasing rails and sleepers is not mentioned and what amount for renewal works? How many of the sleepers would be of steel and how many of wood? Whether the steel sleepers are to be purchased from Europe or locally? Whether the wood sleepers are to be purchased from Bengal or any other province?

[Mr. Mahmood Suhrawardy.]

If wood sleepers are available in Bengal, why should they be brought from distant places which cause the railway to pay more railway freight ?

Sir, these are my observations on the budget before the House and I am glad the Honourable the Commerce and Railway Member, the Honourable Sir Joseph Bhore, is also present to listen to our complaints.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, for a layman like myself who is not very familiar with these figures and maps it is not easy to understand the depreciation charges and other complicated commercial matters but there are certain obvious things upon which I have no hesitation in offering my sincere congratulations to the department for this great improvement in the earnings of the State Railways. Sir, the mere fact that their earnings have increased from 1932-33 to 1934-35 by Rs. 9 crores is a matter of congratulation to the department. It may to a great extent be due to providential help but I have not the least doubt that it is also due to the efficient working of the department. And it is a matter of further pleasure, Sir, that the budget presented should be possessing an optimistic feature at a time when it is the last budget which will be presented by the Honourable Sir Joseph Bhore, and I am sure, Sir, that among the memorable things which he has achieved during the time he has had charge of his office this will be one of the things which will always be remembered. I may further submit, Sir, that the reason for this great improvement which we generally find in the railway administration and for which the credit goes to the Honourable Sir Guthrie Russell as well, is mainly due to the fact that both the Honourable Member for Commerce and the Honourable the Chief Commissioner have always listened with great attention and sympathy to any complaints or criticism which have been made on the floor of this House by the Members of the Assembly and the Council of State. There is no doubt that some of the questions received and some of the opinions expressed are not always very accurate, but, Sir, I must concede that this has not prejudiced their minds towards the opinions which they hear from these Members and I am sure that the secret of their success lies in the fact that they attach great importance to these opinions. As a matter of fact, if one were to count all the questions asked about the Railway Department in the Legislative Assembly and the Council of State from the year 1920 to 1935, I am sure the number would run to thousands, because the Railway Department is not only a commercial department but is a department with which almost every citizen in this country is concerned and closely related. Therefore, Sir, I wonder what would be the condition of the railways when under the new scheme their charge will be entirely transferred to the Statutory Board who probably will have very little to do with the central Legislature. I am sure they will be deprived of the constant touch which they now have with the taxpayers through their representatives and I am afraid the Railway Department may become, instead of a commercial department, a great executive body which will consistently ignore the grievances of the travelling public. However, Sir, this is a matter upon which this is not an opportunity to discuss at any great length.

Sir, there are only one or two main points concerning this budget about which I would like, with your permission, to make a few remarks. In the first place, I would like to refer to what are known as strategic lines. I must confess I was very much bewildered when my friend the Honourable Mr. Chari was speaking and he was interrupted by His Excellency the Commander-in-Chief

who asked him what these strategic lines were. Naturally he was unable to name any line. So what is the position ? On the one side an impression is created that there is no such thing as strategic lines ; on the other hand there is the Honourable the Chief Commissioner of Railways who has definitely stated in his speech that there are strategic lines and they are running at a loss. Well, I think we would request him, if he is taking part in this debate and is going to make a speech, to name these strategic lines or to explain to us that there is no such thing as strategic lines which are maintained mainly for the purposes of the military, because, Sir, he clearly states in his speech, from which I may be permitted to read just two lines :

“The position for 1935-36 will be that our deficit will be rather less than the loss on strategic lines, that is, the railways of India, as a commercial concern, after meeting all their charges, will have a small surplus”.

Does it not show, Sir, that, while the Railway Department are making profit on the other lines, they are running at a loss so far as the strategic lines are concerned. Further he goes on to say :

“Though no one can see into the future, I have every hope that, when I place the budget estimates for 1936-37 before the Council next year, I shall be in a position to estimate for a surplus for commercial and strategic lines combined”.

So, Sir, I think this leaves no doubt in the minds of the Members of this House that the Honourable the Chief Commissioner has made a definite statement that the strategic lines are a source of great loss to the Railway Department and that if there is any deficit it is due to this.

The second point which I wanted to make was the representation of minority communities in the railway service. Sir, this is a subject which has been discussed more than a dozen times on the floor of this House as well as the other House. But the results achieved seem to be very, very small indeed, if any. I wish, Sir, the Honourable the Chief Commissioner of Railways would also supply us with information in the graphic form as he shows the earnings of the railways. I am sure if he were to prepare a graph showing the representation of minority communities on the Railway Board during the past few years, the increase will appear to be absolutely imperceptible. When I make this remark I do not confine myself to the representation of the Muslim community alone. I have also in my mind the other minority communities, for instance, my Sikh friends in the Punjab. Sir, the Muhammadans and Sikhs in the Punjab have been very backward so far as education is concerned. The result is that having started later our numbers in the services are very small. I know that that is a source of great concern to those communities and those interests who are already in possession of the various posts in these departments. Sir, they feel the knock. The knock may not be so loud in other provinces but in the Punjab it is very loud and I think unless the Railway Department decide to take some definite step and take some definite action in the matter, the mere issuing of statements and holding of conferences and giving assurances will not help matters. I would suggest, Sir, for their consideration that they should have a separate department at the centre to co-ordinate efforts in this direction by the various railways in the country.

It would not involve a very high expenditure. Just the expenditure of appointing an officer with a staff, who should tour all over India and see that these instructions which are issued by the Government are being carried out honestly and properly. May I hope, Sir, that the Honourable the Commerce Member, before laying down charge of his office, will consider the desirability of having this scheme put into practice ? If he does so, I may assure him

[Raja Ghazanfar Ali Khan:] that he will be placing under an everlasting obligation all the minority communities and will also be carrying out the intention expressed in the communique issued by the Government.

Coming to the third point, *viz.*, the complaints of the third class travelling public, I am sure everybody will agree with me that very, very little change has been made in the position since the last 30 or 40 years. In my lifetime, at least, I have not seen the slightest change, particularly as far as the North Western Railway is concerned. Unfortunately, Sir, it is the contrast which makes people discontented, and that contrast is very vivid. When those of us who are accustomed to travel on the branch lines of the North Western Railway suddenly come to Delhi and happen to travel to Moradabad or other such places, we find the contrast between the two railways very great. I wish, Sir, the North-Western Railway will pay a little more attention and provide such facilities on their railway as the Great Indian Peninsula and East Indian Railway and other railways provide. I hope you, Sir, and the House will excuse me if I just relate that the chief reason for this is that the Agents, those great autocrats, do not keep themselves in touch with the public. As I had to describe in more detail on a previous occasion, it is almost impossible to have access to the Agent of a railway. There will be no difficulty in going and seeing the Chief Commissioner and explaining to him the grievances of the public. But if somebody—he may be a Member of the Council of State or of the Legislative Assembly; whatever may be his position—if he wants to go and see an Agent, you will be surprised to hear that when he gives his card to the *chaprasi*, he takes it to the superintendent; the superintendent calls the visitor in and cross-examines him for about ten minutes and then sends the card, if he approves, to the secretary. The secretary calls that man and submits him to a further cross-examination, and if he is also satisfied, then he can go and see the Agent. If I have a story to tell, and I first tell it to the superintendent, and then repeat the same story to the secretary, I begin to feel disgusted with that story myself, and if I am lucky enough to approach the Agent and if I have to repeat that story a third time, that story loses all charm. I trust that the Chief Commissioner of Railways will invite the attention of the Agents and ask them to keep themselves more in touch with the public so that they may be able to know their grievances.

Another feature which is mentioned in this budget is about the large number of people who travel without tickets. That is really a matter of great concern to everybody. What is the reason for that?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: We would also like to travel without tickets. Every one would like to do so!

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Unless you get a silver or gold pass, you cannot do so.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: This is really due, if I may be permitted to say so, to the inefficiency of the railway staff. It will really be unreasonable for me or any other Member to accuse any department for not being honest. I would be the last person to do so. But I have a suspicion that the public is under the impression that if they are caught when travelling without tickets, they will be able to escape by paying one-fourth of the fare. Some means should be adopted for removing this idea. The remedy lies in employing honest men and to have more control over the

staff so that they may be able to detect cases of corruption. The only qualification for men to be employed on this staff should not be the marks obtained in a University examination. You should employ men of a good class. I can assure you, Sir, that every Member of the House will support you in whatever action you take in eradicating this evil of travelling without tickets.

THE HONOURABLE THE PRESIDENT: Will you please bring your remarks to a close?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I would like to see the Railway Department reach a stage of efficiency when they are able to abolish the inter class, making the third class as good as the inter class, and abolish the first class by making the second class passengers as comfortable as those in the first class.

THE HONOURABLE MR. E. MILLER (Bombay Chamber of Commerce): Sir, I am sure all Honourable Members will agree that the position of our railway system for the past year and the forecast for 1935-36, as placed before us by the Honourable Sir Guthrie Russell on Monday last are most encouraging and I believe I shall be voicing the general feeling of this House, if I tender our congratulations to the Commerce Member and the Chief Commissioner of Railways on the financial result of the past year's working of the railway system in India.

While conditions generally have assisted towards this, I do not agree with my Honourable friend Mr. Suhrawardy and think the railway administration have contributed their share and this deserves recognition. At the same time I think there are still many avenues to explore and there is plenty of scope for further improvement. I hope my remarks will be accepted as being made in a spirit of friendly and constructive criticism, for after all the main point of this discussion is, I take it, in order to bring out any weak points that may appear to exist.

My first point is in regard to railway tariffs. I am glad to hear that the general classification of goods has been under review and that it is coming up for further consideration next month, but I am somewhat concerned to note that it is a matter for consideration as to whether a simplification of the tariff might not be carried out without the preparation of the more elaborate statistics which have been recommended by the Special Committee. Frankly I do not believe this is impossible, but whether this is done or not it is absolutely essential that the non-official opinion of commerce and trade must be taken. The Honourable the Commerce Member indicated that this was desirable, in his speech in another place made on the 8th March last year, and I would ask Government to give us their assurance on this point. We are not satisfied with the position as it is today and I would request the Honourable Sir Joseph Bhore to inform the House, when Government propose to ascertain the views of representatives of commerce and trade. Will it be before the final report of the Special Committee is presented to Government or will it be after that is submitted and before Government take action? Obviously non-official opinion should be taken and unless this is contemplated, it will be my duty on behalf of my constituency to lodge a very strong protest.

My next point is in connection with the manipulation of railway freights in competition with carriage of goods by sea between Indian ports. While it is appreciated that the railways are a national asset, there can be no defence

[Mr. E. Miller.]

for a policy which permits the cutting of rates over long distances in order to compete with the carriage of goods by sea in such case where under normal conditions such merchandise can be carried more economically by sea. It is not only unfair but financially unsound. Moreover, this policy strikes at the very life blood of the ports which depend for their existence upon sea-borne trade and in its coastal aspect, this is being seriously damaged by the present policy of the Railway Board. It is a matter that has been represented on more than one occasion and it is one that calls for immediate action. I hope that the Honourable the Commerce Member will tell us what Government propose to do in the matter.

This brings me to the question of road-rail competition. The line of policy now being taken by Government is most encouraging to me for I have been pressing for co-ordination between railways and road transport for some years past. I believe that we are now within measurable distance of this and I know that Sir Guthrie Russell is a strong advocate of it. It is still only appreciated to a very limited degree amongst railway officials outside Delhi and I wish the Chief Commissioner of Railways could imbue his own spirit of co-operation into the hearts of all railway officials in the provinces. The development of roads and of motor transport cannot be withheld but they both *can* and *should* be developed on properly organized lines so that railway transport and road transport are complementary to each other. Where roads exist which run parallel to a railway, these will of course have to be maintained up to a standard to carry motor transport and any missing links should be joined up. Such roads were in existence before the railways and they must be continued. Without these arterial roads it will be impossible to develop the feeder roads to link up interior towns and villages with the railway. This policy has been endorsed at a recent meeting of the newly formed Transport Advisory Council and all railways should welcome this decision, for it will bring increased freight to the railway system. In future of course the construction of new roads should not be carried out parallel with railway lines except for short distance through towns and villages where it is necessary to connect up with railway stations, while similarly new railway lines should not be constructed parallel with existing roads.

While on this subject, may I again express the hope that the contemplated re-arrangement of His Excellency's Executive Council may be given effect to as soon as it is conveniently possible so as to allow for all subjects connected with railways, roads, airways and posts and telegraphs to be in charge of one Member, as until this is done a full measure of co-ordination will be impossible.

I am glad to see that provision is made in the budget for expenditure on rolling stock, though I think the figure allotted to carriage and wagons is much too small. Improvements in the facilities for the carriage of goods and passengers will do much to assist in meeting competition with motor transport about which we hear so much and a programme of this nature is perfectly justified. What should not be permitted is the undue cutting of rates below what should leave the railway a fair margin of profit, in order to compete with motor transport and if the further recommendations of the Advisory Council are carried out this should be unnecessary.

I trust that the provision of better and more accommodation for third class passengers has been given full consideration when drawing up the proposals connected with expenditure on carriages. I think I am right in saying that the third class passenger is the most paying class of traveller and

it is only fair that he should receive more consideration. I trust that Sir Joseph Bhore can assure us that these proposals in regard to rolling stock form part of a scheme spread over a period of years for the modernizing of rolling stock and the scrapping of obsolete carriages and wagons. It was my intention to quote from a recent speech of the Honourable Sir Joseph Bhore's in connection with the forward policy of railways, but Sir Joseph did this himself when concluding his speech on the railway budget in another place. Coming as it does from the Honourable Member in charge of Railways gives added weight to such a statement and I would commend it to the consideration of all and particularly railway officials.

With regard to Sir Guthrie Russell's statement in reference to people travelling without tickets, in 1933 nearly three million passengers were detected in this offence and this Sir Guthrie says is only a fraction, yet he admits that while the Railway Board have suggested amending the Railway Act in order to provide a deterrent penalty, it is only intended to discuss this matter in *due course* with the Central Advisory Committee. Surely if he is losing so much as is suggested, the matter is of extreme urgency and there is no reason why section 113 of the Indian Railways Act should not be strengthened in this respect during the present session. In addition to this I suggest the problem will never be adequately tackled until a better class of travelling ticket inspector is recruited for this very important task, while if necessary the number should be doubled. The present class and pay of the men recruited is no guarantee that this detective service is either efficient or above reproach.

There is one more constructive criticism which I should like to offer and that is in respect of the form which the railway budget speeches take year after year. Usually they are in the nature of an auditor's report with an occasional deviation into such matters as wagon supply and construction, bridge programmes and staff reorganization. Yet the questions which we the representatives of the public would like to ask are how have the railways served the public and how have the railways assisted the trade and commerce of the country during the year? If these questions were dealt with, as I am sure they can be dealt with, in the annual review of the Chief Commissioner of Railways to this House, the budget speech would be more human and, dare I add, more interesting.

Now, Sir, may I in conclusion say just a few words in regard to the executive and other staff of our great railway system. I agree with the Chief Commissioner of Railways when he says, however those at headquarters may lay their plans and form their policy, its success depends largely on the manner in which it is carried out by the various units concerned. The Commerce Member referred in another place to the able and efficient work of Sir Guthrie Russell, Mr. Rau and others here at headquarters and I am sure all of us will fully endorse those remarks.

Finally there is Sir Joseph Bhore himself to whom we have to regretfully bid good-bye. I have known Sir Joseph intimately for the past six years and when I first came in contact with him he held in his portfolio all matters dealt with by the Government of India in connection with roads. He always gave me a patient hearing and was very helpful and encouraging in those early days when I was pressing for road development. Then he changed his portfolio to one which included railways and perhaps it is because he has experience in dealing with both these important subjects, that has helped him to hold the broad vision he does. His genial manner even when pressed with over work is well known and his departure is a great loss to the Government of India and to us. I wish you Sir and Lady Bhore a long and happy

[Mr. E. Miller.]

holiday and trust that after a well deserved rest, we may see you holding a further important office in another part of the empire.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, before I begin my review of the railway budget I want to associate myself with the remarks of praise and also of sorrow which fell from the lips of my Honourable friend Mr. Miller. I join with him in congratulating the Honourable Sir Joseph Bhore and the Honourable the Chief Commissioner for Railways on the result of the working of railways this year. I also observe that Sir Joseph Bhore's success has established that an Indian Member can efficiently administrate even the Departments of Commerce and Railways. I regret that Sir Joseph Bhore will shortly retire and give up this important job. We wish him all peace and farewell.

I agree with the Honourable Mr. Miller that the development of the country mainly depends on roads and railways and that a Ministry of Communications ought to be established at the earliest possible moment. Sir, this is one of the most important portfolios which His Excellency the Viceroy ought to allot to a single Member. If I mistake not the Legislature has from time to time been assured by Government that a Ministry of Transport will be founded as soon as possible and the time has now come when no further delay ought to be made in establishing the new ministry.

Sir, we have been often assured that the railways are being run on commercial lines. When the railways are being run on commercial lines, when this fact and assurance has been put before the Legislature from time to time, we fail to see why this principle is not being observed in practice. When there is a deficit budget, where is the justification for the restoration of the cut in salaries? You must cut your coat according to your cloth. When you are in deficit, simply on sentimental grounds because certain other Government departments are restoring the cut, you are following suit. Sir, a mistake has been done in the restoration of the cut.

Nowadays we all expect that when the annual report on the working of the railways is presented to this House that something should be mentioned as to how far and in what manner the railways have assisted in the development of the commerce and industry of India. On that point the report is always silent. Perhaps there may be reasons for it; because nothing much has been done, so this information is not placed in the forefront.

I find on the working of the strategic lines there has been a loss of Rs. 197 lakhs and on the restoration of cuts in salaries of Rs. 92 lakhs. If railways had been run on commercial lines, as is generally being assured by the Railway Member and the Government of India, this year would have seen a balanced railway budget. With due deference to His Excellency the Commander-in-Chief I must say that it is not purely a matter of sentiment or a matter of accounting. His Excellency has today said that he is prepared to take over the strategic railways. Well, I welcome that step and I shall beg of His Excellency the Commander-in-Chief to do it as soon as possible. As regards the other point which His Excellency has raised that in case we want him to take the lines on the other side of the Indus, he would give a train a week for passengers; from purely a military expert one can expect that; but in the present Field Marshal we have an army as well as a diplomatic expert. Does he mean that even in case he can make more money by running more trains for passengers he will not do it? I cannot understand the argument which

His Excellency has been pleased to put forward before this House. It is purely a business proposition. His Excellency will not refrain from making more money from strategic railways through commercial traffic if he possibly can. Sir, accounts ought to be real. Every year for the last so many years that I have been in this House and I have had this privilege from the very inception of this Council—I have been always pressing that for the sake of proper accounting, for the sake of the reality of the accounts, let the strategic railways be separated from the commercial railways and the loss on their working be borne by the Army Department. It is purely a matter of accounting. Why should we show to the public a false account or an account which is not complete. By false account I mean that that account—

THE HONOURABLE THE PRESIDENT : It is a very unhappy expression on your part.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : If that is an unhappy expression I will withdraw that word and replace it by "artificial" accounts because after all the army budget must contain and show all the expenditure which is connected with the army. In case railways are run for military purposes, the military department must bear their expense. That is a principle which nobody can deny and I think it will be wise and proper that the sooner the strategic railways are taken over by His Excellency the Commander-in-Chief the better. His Excellency asked where are the strategic railways? What are those strategic railways? That is what I understood from him. In case I am wrong, I hope His Excellency will put me right. The Nushki-Duzdab and Sindh-Pishin and Fort Sandeman-Khanai Railways in Baluchistan were constructed purely for military purposes. So were the Kohat-Thal and Khyber Railway.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : It is now closed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Only a portion of the Duzdab line which was built in Persian territory, I understand without the sanction of the Persian Government, and which was taken possession of by the Persian authorities. All the rest of that railway now exists and trains are regularly running to Nokkundi even now.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : It is not used. It has not been used for ever so long.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : My contention was that it was built purely for military purposes. I do know that it is used for commercial purposes. The line was originally constructed purely for military purposes and was built at the request of the military authorities. Now that line is used purely as a stand-by measure; in case there is any further trouble on the Persian side that railway is sure to be used to carry troops, ammunition, etc. No commercial railway can run on alternate days or every fourth day and pay. That fact alone proves that that line is not a commercial line but is being maintained for the future use of the army.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : It is not being maintained.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, that line is now running. How can it run without maintenance? It is a fact that even now that line is running; there are regular services. The fact cannot be denied.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Up to about Nushki. Beyond that is closed down.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I understand from the Honourable the Chief Commissioner that the railway exists only as far as Nushki?

THE HONOURABLE SIR GUTHRIE RUSSELL: It is beyond Nushki for a short distance. I cannot at the moment recollect the actual name of the station where the line terminates.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That short distance I hold is 217 miles. Can you call that 217 miles a short distance? I can say from the knowledge that I have that that line even now is more than 200 miles and that trains run every third or fourth day to Ahmedwal and once a week to Nokkundi.

Then comes the question of expenditure on army sidings and on army vehicles. In addition to these strategic railways, certain improvements and re-modelling of military yards are being carried out at the expense of the railways. A number of vehicles are constructed for the Military Department. I think that also is a legitimate charge on the army budget and that ought to be debited to the army.

Sir, I find that Government is acquiring the Amritsar-Pati Railway at a cost of Rs. 44 lakhs. I welcome that measure. They say that the return on it will be somewhere about 7 per cent. I would also like the Government of India to acquire the Bengal and North-Western Railway. That request has been repeated from time to time and as the rate of interest ruling now is very low the present time is opportune to acquire that railway. That railway is now paying a dividend of over 15 per cent. and if the Government acquires it it will be a better paying proposition. So I would like the Honourable the Chief Commissioner to tell us why they are not acquiring the Bengal and North-Western Railway? There have been many complaints about the running of that railway and the public is thoroughly dissatisfied with its present working.

Sir, I also find that there is a demand on behalf of the railways for the purchase of 5,000 more goods wagon. I would like the Chief Commissioner of Railways to very kindly explain to this House why, if the existing wagons were sufficient when trade was at its height, why there should be any necessity for increasing their number now by 5,000. In every yard when travelling on the railways one finds that a great number of empty rolling stock is being stored, and from the figures of the traffic we do not see that there is any justification for more wagons this year. And, Sir, supposing that the Railway Department does establish a necessity for the purchase of these wagons, I should like to know from whom these wagons would be purchased? How far will the carriage and wagon building industry in India benefit from it? In the past, Sir, I remember that this local industry was always given a share to keep it alive. I should like to know how far it will be patronized now?

A crore of rupees is being demanded for boilers and locomotives. Will they be made at the Peninsula Locomotive Works at Tatanagar? There also Sir, I find that a number of locomotives are lying idle in various sheds. I made, a similar observation last year, that there were many engines lying idle in the Agra shed of the Great Indian Peninsula Railway. Well, I now find that these engines have been transferred to the North Western Railway and about 20 odd engines are working on that railway. Even now in a number of sheds you find these engines stored with their parts, painted white so that they may not rust. I think, Sir, that we may go on for another year easily as we have these engines in surplus. In case it be said that those engines are not up to date and they ought to be scrapped, why does one find these very engines being used by the North Western Railway on the mail trains, where speed and efficiency are of great importance?

Sir, I come to the matter of the surcharge on coal. Well, we are grateful to the Railway Department for giving some relief in this connection and the relief given is that there will be a maximum surcharge of Rs. 1 per ton on coal carried 700 miles and over. But even that bit of generosity, as we might call it, will not come into force before the 1st of April. That, Sir, is rather a setback because those people who want to carry stocks of coal as a stand-by in their own manufacturing concerns and factories will have to wait till the 1st of April before making up their stock and at that time it will result in unnecessary congestion of traffic and delay in the carriage of coal. So, Sir, I think it would be better if this concession comes into force as soon as possible.

Then, Sir, I come to the question of the Muslim representation. From the figures that we have before us we find that a bigger percentage is being given to the Muslims in the services than they deserve on the basis of their numbers. In case Honourable Members will go into the statement which I presented to the Central Advisory Council for Railways in this connection, in which the question is fully dealt with, by its perusal one will be satisfied that I am correct in saying so.

One more point, Sir, and then I will resume my seat, and that is in regard to the policy as regards railway vendors. Platform vendors play an important part in the convenience and facilities of the passengers. Sir, there appears a new policy which the Government is contemplating, and that is to give these vending contracts to limited companies. Sir, those people who have done well in the past and whose services spread over a number of years ought not to be deprived of their privileges purely on account of that new policy. The conversion of a private company to a limited company does not add anything to its efficient working. I find, Sir, that in big companies where one can afford to employ competent staff things are different but in small companies the improvement which people expect in increased efficiency will not be achieved and therefore I want to stress that before any change in policy is adopted the claims of these old vendors who have worked for scores of years should not be ignored.

Then I come, Sir, to the overcrowding of third class passengers—

THE HONOURABLE THE PRESIDENT: I cannot allow the Honourable Member at this stage to go into a new point. He has already exceeded his time limit.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Mr. President, I must first of all congratulate the Honourable the Railway Member on having brought at the end of

[Diwan Bahadur G. Narayanaswami Chetty.]

his tenure of office such a hopeful and an all-round improved budget. When the Honourable Member took charge of his present office from the hands of his distinguished predecessor he had to face a huge deficit. This deficit was mainly due to the acute trade depression which paralyzed not only the finances of India but also of many other countries. But owing to the indefatigable and sincere efforts of the Honourable Member and also of the Honourable Sir Guthrie Russell, this deficit has continued to decrease steadily and I am sure every one in this House will feel highly grateful to them and appreciate their efforts.

I find that the budget estimates for 1935-36 anticipate a deficit of nearly two crores which is indeed an improvement on the 1934-35 budget estimates. This, as the Honourable Member has said, is mainly due to improvement in goods and passenger traffic. It is necessary therefore that every effort should be made by all railway administrations to make the goods and passenger traffic as cheap and comfortable as possible so that a greater number of people avail themselves of these benefits.

I am also glad to see, Sir, that the Honourable Member has been able to balance the budget estimates of commercial lines without recourse to cuts. Cuts, however imperative they may be in times of low finance, cause great discontent among the rank and file and I think result in grave detriment to efficiency, but I am glad that the Honourable Member has realized this and has been able to infuse the spirit of contentment among railway employees.

As regards road-rail competition, I am sure Honourable Members will agree with me when I say that much of the present acuteness of competition will be minimized if greater amenities are given to the travelling public on railways, such as holiday concessions, week-end return tickets, etc. I am also glad to see that the Honourable Member "fully realize and appreciate the necessity for keeping abreast of the times" so as to cope with the vehicular traffic on roads. In this connection I am glad to find that one and two-thirds third class return tickets on the Eastern Bengal Railway are being issued as a test case to see whether a greater number of people are benefited by these cheap return tickets and the railway administration is also benefited proportionately by this new venture. Incidentally, I may bring to your notice the very successful introduction of round tour tickets introduced by the Madras and Southern Mahratta Railway recently. I am sure the Honourable Member knows all the details about it. It will be indeed a great boon to third class passengers if such a system is introduced in other railways not only during holidays like Christmas but also many times in the year.

Coming to the works programme, I find that it is bigger than in recent years. I see that, in addition to providing money for the construction of the Megna Bridge on the Assam Bengal Railway and the extension of the electrified suburban section of the Bombay, Baroda and Central India Railway from Borivli to Virar, Rs. 10 lakhs has been set apart for the construction of Karaikudi-Melur-Madura line. This new line, if constructed, will be of immense benefit to the people of my province and I would request the Honourable Member to take such steps as he thinks fit to expedite the construction of this line.

Regarding the checking of ticketless passengers on the trains, I think any attempt to amend the Indian Railway Act so as to inflict deterrent punishment on the ticketless travellers will not solve the problem. I wish to point

out that the two railway administrations in my province, viz., the Madras and Southern Mahratta Railway and the South Indian Railway, have been able to check this evil to a great extent by increasing their staff of ticket examiners, but if such a like expansion of staff is carried out in other railways, I would request the Honourable Member to see, at the same time, that the ticket examiners do not cause unnecessary annoyance and trouble to the travelling public.

Lastly, I would like to invite the attention of the Honourable Member to the position of the Local Advisory Boards of Railways in India. I would suggest that every effort should be made by railway administrations to consult the members of their Local Advisory Boards with regard to matters that closely affect the comfort and convenience of passengers. It is my suggestion that this consultation should take place every year and that too before the annual budget estimates of railway administrations are prepared. I may also add that as far as the Madras and Southern Mahratta Railway Administration and the Local Advisory Committee are concerned, their relationship is very cordial and they have been working in very close co-operation.

Now, I would be failing in my duty if I did not refer to the cordial relationship which continued to exist between the Honourable Member in charge of Railways and the Honourable Members of this House. He has heard our grievances and criticisms patiently and I have found him willing, as far as he can, to carry out our wishes. His genial and suave personality we will always miss, but let me assure him that every one of us here who had the pleasure of knowing him either in this House or elsewhere, will always remember him as one of the best friends of India.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I heard with great interest and satisfaction the lucid speech which the Honourable Sir Guthrie Russell made and his hopes of better times for the railways. I trust that his optimism will be justified and the railways will make a substantial contribution to the revenues of India. There are just one or two questions I should like to ask. He mentioned that working expenses on the State Railways were somewhere near 51.15 per cent. Could he kindly tell the Council what is the ratio of working expenses on privately managed railways in India and in England?

I share with him the regret that railways have still to meet heavy interest charges. If a sinking fund had been provided from the start, the debt of the railways would have by now been extinguished. Even now if one per cent. could be put in the sinking fund for the redemption of debt, it would, in a definite number of years wipe off this burden and the railways will become a paying investment free of all interest charges.

Sir Guthrie Russell made a pointed reference to the rail-road competition. From what I have heard, it seems to me, that so far railways have only sought to remove this competition by raising motor service into a monopoly also. This seems to me rather unimaginative and not in the public interest. Hitherto the railways have enjoyed a monopoly, why should motors not also share in this monopoly? There are other ways of securing rail-road co-operation and serving the public interest by a co-ordinated service.

As usual a large sum is being provided for renewal and replacement of rolling stock. It does seem tragic that after a hundred years of experience our railways have still to depend on outside supplies. Could the Chief Commissioner of Railways say when it will be possible for our workshops to turn

[Sardar Buta Singh.]

out complete locomotives, wagons, etc.? Now that a step has been taken in standardization there does not seem any reason why the railway workshops should not produce all the requirements in the country itself, thus providing employment for our unemployed and becoming pioneers in manufacturing locomotives and other mechanical appliances which we now import.

I was very glad to hear that railways were now trying to get into touch with local administrations, that is, trying in some measure to meet the traffic requirements of provinces. In this connection I should like to suggest making this co-operation more effective. Take the North Western Railway which serves my province. Would it not be possible to constitute a small board consisting of the Agent, North Western Railway, the Minister of Agriculture, Punjab, an official representing agriculture from the North West Frontier Province and another from Sind and place all traffic problems before this board? If this was done, complaints which now find expression even from high quarters will disappear and both railways and producers will gain.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That will be a purely official board.

THE HONOURABLE SARDAR BUTA SINGH: Traffic is the life blood of railways and traffic will be accelerated if there were co-operation between the producer and the carrier.

I feel I must congratulate the Honourable the Railway Member for his able administration of the railways during the very difficult period through which we have been passing.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, it is no doubt a matter of gratification that the railway budget that has been presented to us indicates that so far as the passenger traffic and railway receipts from goods traffic go, the low tide, to borrow the expression of the Chief Commissioner of Railways, which was reached during 1932-33, is now being followed by a rising tide and that there is every prospect that the railways in India are now well on the road to a period of prosperity.

The working expenses for 1935-36 have been placed at a crore and five lakhs above the figure for the current year. Of this sum, Rs. 92 lakhs are due to the fact that it has been decided not to re-impose the cuts in pay which were imposed three years ago. This decision is not, in my opinion, justified in view of the fact that in 1935-36 there is estimated to be a deficit of about Rs. 2 crores which would have been reduced to nearly a crore if there had been no restoration of the salary cut. The Reserve Fund has been exhausted and deficits have been met from loans from the depreciation fund the balance of which at the end of 1935-36 would amount only to Rs. 12.87 crores. It is not until 1936-37 that the Chief Commissioner of Railways expects a surplus budget. In these circumstances the restoration of cuts, which will no doubt be warmly welcomed by the railway employees, will not be approved by the public.

A provision amounting to Rs. 15 crores has been made for works expenditure during 1935-36. For new construction Rs. 26 lakhs are being provided. And I find in the Explanatory Memorandum that Government are examining a number of projects in order to ascertain whether they are likely to yield an

adequate return on the money to be expended. These projects, I am glad to find, include certain lines in the United Provinces also. I understand that the construction of a R. K. R. line between Kashipur and Kalagarh via Thakurdwara in my province is also under consideration, and I hope that the Honourable the Railway Member and the Chief Commissioner of Railways will come to a favourable decision in respect of this project and that it will be taken in hand at an early date.

Sir, there are certain grievances of the travelling public which I venture to bring to the notice of the Honourable the Railway Member, whom I am glad to find present in this House today, as well as of the Chief Commissioner. Owing to a growing increase in the standard of living of Indians a larger number of people have now begun to travel second class, whereas second class accommodation on trains is practically the same as it used to be many years ago, with the result that second class compartments are generally overcrowded. May I suggest that in view of the larger number of people now preferring to travel second class more second class accommodation should be provided on trains. Further, it is a common experience of the first and second class travelling public that at nights first and second class passengers close the shutters and glass panes of the windows, bolt their compartments from inside and prevent *bona fide* passengers at intermediate stations from entering their compartments, even when there is sufficient accommodation available in them for new passengers. In other words, the privilege of bolting the compartments from inside is abused to the exclusion of *bona fide* passengers. This practice is getting so common that it is becoming extremely difficult, if not almost impossible, for would-be passengers at intermediate stations to get accommodation in first and second class carriages at night. This evil urgently calls for remedy, and to remedy the evil I wish to throw out a suggestion for the consideration of the authorities, although I do not know if it would be found practicable. In my opinion an officer of the railway (who may well be called a controller) should be put in charge of first and second class compartments on trains during the night and should travel on trains. Instead of first and second class carriages being allowed to be bolted by passengers from inside for the safety of their persons and property, it should be the duty of this controller to lock the compartments from outside, and at stations to open such of them as have accommodation if new passengers want to enter or those inside want to get out. This or some similar arrangement should be considered to remedy the evil, and it will be a great boon to the first and second class travelling public.

Another inconvenience which the second class travelling public have to put up with is caused by quite a large number of railway officials travelling at times in second class compartments who I think are privileged to travel free of charge. This makes second class compartments overcrowded to the great inconvenience of *bona fide* passengers. I wonder if it will not be better if such officials are asked to travel in the guard's compartment or in some other compartment meant entirely for their use and thereby reduce the congestion in second class carriages.

One other thing which I wish to bring to the notice of Government is that there is no representative of the United Provinces on the Advisory Committee of the North Western Railway, although that line traverses no less than three districts of my province, namely, Meerut, Muzaffarnagar and Saharanpur. The result is that the grievances of the travelling public belonging to the United Provinces concerning the North Western Railway go unrepresented. May I suggest that arrangements should be made to have the United Provinces represented on the North Western Railway Advisory Committee through a member actually residing in the province.

[Rai Bahadur Lala Jagdish Prasad.]

Sir, I hope that the above suggestions of mine, in the interests of the travelling public as they are, will receive due consideration at the hands of Government.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, I am very glad that the Honourable the Commerce Member is present to listen to the debate in this House. And since it is the last budget which will be framed during his term, it is gratifying that it is so balanced as to leave very little margin for a deficit. Here, Sir, I congratulate the whole Railway Administration on this result. The Honourable the Chief Commissioner and the Railway Board have gone to great pains to achieve this end. I had the privilege of sitting in the Standing Finance Committee for Railways for several years and therefore know something of the difficulties which the Administration have had to face. I have listened with great interest to some of the remarks made by some of my Honourable friends here as to why these wagons have been built this year.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Who are they ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : If the Honourable Member had been present here I need not repeat the names of those Members, or if he was he must have listened to the Honourable Lala Ram Saran Das and to the Honourable Mr. Hossain Imam. Sir, the difficulty was that for several years past no wagons were built as no money was available for building wagons and so their construction had been postponed until a stage was reached when it was not possible to carry on without constructing more wagons, and the opportunity was taken this year because prices were very low. The advantage which is to accrue on account of the low prices will be a great deal. I think the Railway Department is to be congratulated for having put this proposition before the Railway Finance Committee and got their sanction to build up the wagons this year. As regards the observations of the Honourable the Chief Commissioner and the other Honourable Members about strategic lines, I think it is very unfortunate that the two lines are separately accounted for. I have always been of the opinion that we must take the lines as a whole. It is no use calling them State Railways if we separate them into commercial

lines and strategic lines. If the lines were managed by companies we could separate them, but as they are State lines there is no reason why there should be any distinction between strategic and commercial lines. I do not agree either with my Honourable friend Lala Ram Saran Das that strategic lines should be separated nor with the Railway Administration in pointing them out separately. I do not think it will serve any purpose.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : They are shown even now as separate.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : That is what I am objecting to. It should not be done. I do not agree with my friend when he says they should be separated. I hold that they belong to the State and the whole administration should be one. It will not be a good proposition or a

sound theory if we begin to say that because a particular station does not provide a sufficient number of passengers and it is not sufficient to cover the salaries of the staff at a particular station, therefore that station should be closed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : That is closed.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : In the same way it is wrong to say if a particular branch or a small line does not pay that it should be closed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Such a station is already closed.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : If the business proposition is strictly followed, many railway stations will have to be closed because they are not sufficiently remunerative. Similarly in the postal department there are many post offices which are run at a huge loss but they are kept up simply for the sake of the convenience of the public. In the same manner the lines ought to be kept if they are called State lines. If the Honourable Member holds that they should not be State lines, I have got no grievance. But my view is if they are State lines one may be run at a deficit and others may make a great profit.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : No post office is run at a loss.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I am entitled to hold my view and the Honourable Member is entitled to hold his.

My Honourable friend Raja Ghazanfar Ali Khan said that the statutory authority which will be formed in the future will not be a representative one. I beg to differ from him. If the statutory railway authority is put up as suggested by a committee which sat and made its proposals in London, that will be a purely representative committee and that will be in a position more to represent the public than this House at present.

As far as the budget is concerned, I am sorry, Sir, that I do not see on certain points eye to eye with the Railway Administration. It is high time that we must take into consideration our financial condition. From 1932-33 up to 1934-35 we have had a deficit of Rs. 22 crores and 43 lakhs. All these sums have been taken away from the reserve fund and a great deal of money has been borrowed from the depreciation fund. We cannot ignore that a huge sum has been utilized either from the reserve fund or by borrowing from the depreciation fund. The whole of the reserve fund of Rs. 15 crores has been exhausted. That was a huge sum which was accumulated in good years and spent in bad years ; but the policy of taking money from the depreciation and spent in bad years is not a good proposition. If the fund for meeting your running charges is not a good proposition. If the railways had been run by commercial companies, they would not have allowed so much dividend to be given as is given in the shape of the interest. Certainly that is a great difficulty before the Railway Administration ; but what would a commercial company have done under the present circumstances if they had been tied down to give a fixed rate of interest ? They would not have allowed Rs. 2 crores extra to be allowed to be spent in restoration of cuts in the present circumstances. Undoubtedly it may be said that the budget

[Mr. Mohammad Yamin Khan.]

would have been balanced if these wagons had not been allowed to be built, if the railway bridges which are a great necessity, had not been allowed to be built. But the Railway Administration came up for sanction for these two items; we could not do without bridges and wagons were a necessity; but the restoration of the cut could have been postponed for another year. That is not a sound proposition in present circumstances: neither do I agree that this blame may be thrown on strategic lines.

Certain lines are allowing return tickets. I welcome that; but I do not know why it is not allowed on the Great Indian Peninsula Railway. There are many places on the Great Indian Peninsula and Bombay, Baroda and Central India Railways where the travelling public require return tickets. I have pressed on several occasions that return tickets should be allowed to these big *melas*. There is no reason why if they should be allowed during the Durga Puja holidays and Christmas they should not be allowed when people are going in large numbers to Ajmer. Lakhs and lakhs of people go to Ajmer once a year. If this facility is allowed to Ajmer and to Piran Kaliar during Urs time then I think a larger number of people will go by trains than by motor lorries and that will add to the income of the railways which the railways are losing over it nowadays. If a return ticket or concessions are given, they will find a lot of people will come to their rescue.

There is another point, Sir, and it is this. I am very glad that some concession has been given by the railway administration for seeds and rice in the shape of cheaper freight, but I find no mention of what facilities have been given for the purposes of wheat. It is a great problem which really needs tackling nowadays, and if wheat is allowed to go at a cheaper rate to Calcutta, Bombay and Karachi, then greater traffic will be possible. However, that question will come up later in another connection and I will deal with it on a separate issue.

One thing I was surprised to hear stated by Honourable Members is that third class carriages have not been improved during the last 30 years. As far as I have seen, and I have myself visited several places where new carriages are built, there has been a great deal of improvement and it is not right to say there has been no improvement. (*An Honourable Member*: "On the North Western Railway?") I think so, except on the branch lines where the old carriages are shifted. The old carriages have got to be utilized somewhere. It would be a waste of money if they are scrapped just because they do not suit the fancy of some Honourable Members at the moment.

There is one point, Sir, I would urge upon the Railway Administration and it is this, that if they are losing by motor competition it is because they do not provide proper facilities at certain stations. I will give one instance in my own town because it is within my personal knowledge. In Meerut City, which is a junction where about 2,000 people get down every day *en route* for Delhi, there is no shed provided where people can get down and take shelter from rain and the heat of the sun and they have to go a long distance to the further platform from the main platform in order to get to the Delhi train, and these people are not willing to do all this when they have the facility of a motor lorry just close to their door. Unless the railway administration can give better facilities these people will not be willing to run that risk. I think, Sir, it will not cost much to build a shed. I have impressed the necessity for this year after year but it has never been seriously considered and I am sorry to find that there is no provision for building sheds on the North Western Railway and the East Indian Railway stations, where they are badly required.

Sir, these are the few remarks I had to make. There is only one more thing. I pressed last year and I do so again this year that, although we have to pay a larger amount in the shape of interest, this could be easily remedied at the present time when money is cheap. If the money was borrowed at a high rate of interest some years ago it is no use keeping the same money and paying the higher rate of interest. Government can launch a new loan and pay up the old loans. They can get money at a cheaper rate now and in this way wipe out the Rs. 800 crores. In this way there will be a reduction of several crores of rupees only in the shape of interest and Government can easily see their way to do this in order to balance their budget. There will be no difficulty about restoring a salary cut of the services, or anything else, and the whole of the deficit can be paid up by getting at a cheaper rate of interest the money that is available in the country at present.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Sir, the railway budget has been presented this year with the usual self-complacency of the bureaucratic administration. From our childhood we Indians are taught that self-praise is no praise, but this self-praise is the only quality ingrained amongst the bureaucrats. In the usual customary way, both the Honourable the Railway Member and the Chief Commissioner of Railways have praised themselves and their underlings for the best railway administration in India. Sir, year in and year out we din into the ears of the railway administrators the grievances of the third class passengers who are the real profit-earning customers of the Indian railways. When the separation of railway finance from general finance was effected, we were told that such separation is being effected for running the railways on a commercial basis. I am neither a commercial magnate nor a business man; so I do not think it lies in my power to teach business principles to those all-knowing gentlemen opposite, who are at the helm of affairs of the Railway Administration in India.

THE HONOURABLE THE PRESIDENT: Much less can you pronounce an opinion!

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I am expressing an opinion, Sir.

Sir, yet I cannot but ask them whether there is any business man worth the name who would dare to displease his best customers from whom he earns more profit. Even if on a summer evening, we enter an ordinary European firm who are reputed to be the best business men, we find that they immediately put on the fans and offer smokes or cold drinks to their best customers. But as against that, what do we find in the railway administrations? The representatives of the people have cried themselves hoarse all these past years for the supply of good drinking water for third class passengers and the supply of electric fans in third class compartments. But it is a great pity that the railway administrations could not find their way to mitigate the hardships of their best customers, the third class passengers. Sir, I wish to prove to the Government and the House that the railway administrators in India desired

[Mr. Jagadish Chandra Banerjee.]

to have the separation of railway finance only for the purposes of squandering railway earnings on the already pampered first class passengers who land at Bombay from the United Kingdom and the European continent. When the Railway Department was put in charge of an Indian Member, and when the post of Financial Commissioner was filled by an Indian, we hoped that at least the lot of third class passengers would improve. But the system of bureaucratic administration proved only one thing, and that is that whatsoever Indian is fixed as a spoke in the wheel of this form of administration, he immediately sizes and shapes himself as a bureaucrat, the only difference with the western bureaucrats is in colour, which is beyond human power to change. Sir, during the last few years, we find that the programme of construction of third class carriages have been changed with the sole motive and idea as to how best to squeeze such passengers, allowing them as little space as possible, and to make available every inch of space in the third class compartments for sitting third class passengers without caring in the least for the comforts, conveniences or health of such passengers. The railways in India have started constructing only bigger compartments with a carrying capacity varying between 20 and 40 passengers and even more. These bigger compartments have been provided with two doors for the inlet and outlet of passengers, and with one latrine with no flush arrangement. I wish that the heads of railway administrations are given these third class saloons for their travels and tours and then only they would realize the hardships of third class passengers!

THE HONOURABLE MR. P. C. D. CHARI: They will not realize it till they have a separate compartment for themselves in the third class.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Instead of first class, they ought to be given third class, or fourth class, or even lower class compartments, or even vans. Then they will understand what the difficulties are. I cannot even imagine how a set of men running the Indian railways can with equanimity claim more earnings from passenger traffic? This year as in past years the Honourable the Railway Member and the Honourable the Chief Commissioner of Railways have deplored that though goods traffic earnings have increased, yet passenger traffic earnings have not increased. But may I ask them as to what they have done during the year under review for increasing the comforts and conveniences of such passengers? Not even a mention has been made about it, except that a slight reduction in fare on the North Western Railway or the introduction of third class return tickets on the Eastern Bengal Railway. Sir, I congratulate them for these small mercies for what it is worth, but these are not so much as to attract more passengers on railways. In order to divert passengers from road motors to the railways they will have to give more comforts or even equal comforts that are allowed by the road motors. For comparison sake I would quote the competition between road motors and railways on the Kalka Simla line. A passenger by paying Rs. 20 or Rs. 25 can take all his luggage and his servants with him, and the road motor carries him faster and reaches Simla in about four hours. As against that, the second class fare from Kalka to Simla is about Rs. 11 per seat. This does not show the alertness of the railways in diverting passengers to the railways. This is not all. Even the railway lords will at times put obstacles in the way of reserving third class compartments. Had I any hand in the matter, I would have tried to accelerate the trains, made smaller third class compartments of six seats with a latrine for each of the two contiguous compartments, and would have allowed the reservation of second class compartments with a lesser number of fares than the carrying capacity

of such compartments. I have quoted one example only. There are hundreds of such competitions all over India, and where the passengers can easily be redirected to the railways, if the heads of railway administrations in this country had heads and brains and a little bit of imagination in them. Here I would once more draw the attention of the Railway Department to introduce second class rail motors on that line as that will divert most of the road motor traffic to the railways. The only argument against such introduction, as far as I could see, is that there will be no first class rail motor traffic. This brings me to a question of very great importance. Sir, if we go to the Simla or Kalka station and scrutinize the present day rail motor passengers we find that on an average 80 per cent. or even more of such passengers during a year are railway officials holding passes. This system of issuing railway passes to railway officials must be restricted so that only the lower paid railway servants getting a pay of Rs. 200 or Rs. 300 at the most may be allowed to travel on passes. I may bring to the notice of the House that free railway passes are not the only concession allowed to railway officials. They are allowed any number of P. T. O. concessions which means that a railway official by paying one-third fare of any class will be entitled to travel all over India with his family, luggage and servants. I do not see any reason why the already top-heavy railway administration should be burdened with the carrying of so many thousands of passengers a year without any earning. I think it will be a surprise to many if I say that in the course of the evidence tendered by the Honourable the Chief Commissioner of Railways before the last Retrenchment Committee, he stated that the issue of railway passes does not cost the Railways anything. If that be the argument in favour of the issue of unrestricted railway passes to railway officials, I would in the circumstances request the Government to extend the same concession to all the Members of the Indian Legislature who are really the representatives of the people so that they may during the off session acquaint themselves about the grievances of their constituents. I would even go a step further and request the Government to extend at least the concession of P. T. Os. to all the Government of India servants who are recruited from distant parts of India such as Burma, Assam, Bengal, Bombay and Madras. I base my claim for the Government of India servants on the analogy of the Leeloot allowed to the railway officials over and above the concession of railway passes and P. T. Os. enjoyed by them. There is no justification for the highly paid railway officials to have the Leeloot concession and also the concession of free railway passes and P. T. Os. They seem to be an exception to the general rule which lays down that you can not have the cake and eat it too. Now, Sir, I come back to the question of third class passengers. In hot weather, if fans are supplied in third class compartments, and smaller third class compartments of eight or ten seats with a latrine is constructed which can easily be reserved, I am positive most of the passengers who are using road motors wherever available will come back to the railways. Sir, I would further suggest that arrangements should be made for the reservation of smaller third class compartments all over the Indian railways and strict vigilance should be kept against the overcrowding of compartments. Arrangements should also be made for attaching bogies at big stations whenever there is overcrowding and whenever a message of such overcrowding is received from a previous station. In short I would like to suggest to the Honourable the Member in charge of Railways to move *in cognito* in third class trains and see for himself the condition of the profit accruing in third class passengers. I know that this will all fall on deaf ears, as the present third class passengers. I know that this will all fall on deaf ears, as the present Railway Administration in India is too wooden and too rotten from its foundation. These are the reasons why moderates of today are becoming the extremists of tomorrow and the extremists of today are becoming the socialists

[Mr. Jagadish Chandra Banerjee.]

of tomorrow. Before I conclude I give a warning to Government that unless and until they change their heart and unless they try to understand the public point of view, the representatives of the people can never allow the railway budgets to be passed in the form in which they are presented which is only for pampering the already pampered railway officials.

I should like to add one word more. Last but not least, may we through you, Sir, express our sincere regret at the impending retirement of the popular Railway Member Sir Joseph Bhole.

THE HONOURABLE SIR JOSEPH Bhole: My Honourable friend should be quite glad, considering all that I have been responsible for!

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: He has been a familiar figure in our House since I came in 1931 and, as a matter of fact, he was for some time Leader of our House, if I remember aright. His wide experience and his indomitable courage in facing facts and his untiring zeal and energy and sagacity will be a great asset to the constitution in its making, when we shall want him and his services again, to appear before us fair as a star that will shine in the political horizon of India and lead us to the goal of real self-government. (Applause.)

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Sir, I desire to congratulate Sir Guthrie Russell on the admirable lucidity with which he has presented the railway budget. May I also as a very junior Member of this House pay a tribute to Sir Joseph Bhole? Sir Joseph Bhole has been a very distinguished Indian public servant, and he has earned well of his country. In his retirement he will have our best wishes. (Applause.)

Sir, the railways of this country represent a great commercial undertaking. Most of them are now State-owned and State-managed, and the department comes into intimate contact with all classes of the people. We have about 700,000 workers on the railways and the department is a great employer of labour. The State, Sir, ought to be a model employer. Certainly we should run the railways as a commercial concern, but the railways are also a public utility concern and the humanitarian point of view ought not to be subordinated to mere commercial considerations. That is the point of view from which I will endeavour to make a few observations on the railway budget.

Sir, the budget is a deficit budget, but if we examine it closely it is not a gloomy budget. If we leave out the strategic railways and if we leave out the special arrangements in regard to the depreciation fund, then we find that really we have a surplus of over Rs. 3 crores. Now, Sir, so far as the strategic lines are concerned, I agree with my leader Rai Bahadur Lala Ram Saran Das and with Mr. Chari that expenditure on them should be shown as defence expenditure. We ought to know really what is the amount that we are spending on our defence. If you are giving any concessions to army officers, if you have any strategic railways for military purposes, then show them as part of the defence expenditure of the country. That is the proper system of accounting which we should like you to adopt. Then, Sir, I come to the question of the restoration of cuts. Frankly, Sir, as I have said, there is no reason for us to take a gloomy view of our immediate future. I am not disposed to object to the restoration of the cuts so far as the employees who are getting

Rs. 100 or less than Rs. 100 are concerned. So far as the higher officers are concerned, their case stands on a different footing and they ought to wait for the restoration until the railways are contributing to the central revenues.

Sir, I should like also to say something about the attitude of the Railway Board towards trade unions. Sir, the Whitley Commission had suggested that the railways should adopt a generous attitude towards trade unions; they should be ready to recognize these unions. In most of the big railways trade unions have not been recognized. I plead that the Whitley Commission's recommendation in this matter should be given effect to at an early date. May I, Sir, also refer to the Washington Convention on hours of work which was ratified in 1921 but which has not been implemented so far? Why has it not been implemented and when will it be implemented? These are questions on which no doubt the Honourable Sir Joseph Bhole will enlighten us. I should also like to refer to the increase of unemployment among railway workers. There are about 40,000 people who are on the unemployed list. We know that there is no system of unemployment insurance in this country. Railway workers in some parts of the country have expressed a desire for shorter hours and less wages in order to enable these 40,000 men to be absorbed. I make this suggestion for the consideration of the Railway Board. Then, Sir, there is the question of the purchase of new locomotives. Rai Bahadur Lala Ram Saran Das has shown that there is no need for spending Rs. 1 crore on the purchase of locomotives and engines. Sir, I believe there was a committee appointed to inquire into this matter and they laid down a certain proportion, and if I mistake not, there are a great many more idle engines now than there should be having regard to the recommendations of that committee. I should now like to refer to the hardships of the third class passengers, and on that point I am more or less generally in agreement with my friend the Honourable Mr. Banerjee. I have never travelled myself in a third class, but I know what the hardships of these people are by personal observation. The sanitary arrangements in our third classes are very bad. You have no electric fans and these people are herded together like cattle. I think really we ought to treat them as human beings. There ought to be some consideration for the people who contribute the greater part of our revenues and I do hope that the railway administration will improve in this respect.

One of the very important questions which the railways have to consider is this question of rail-road competition. I do not know whether I should suggest a very drastic remedy. One way of dealing with the problem is to take over, after compensating these bus owners, these motor cars in your own hand where you have motor transports running parallel to railway lines. But a solution of this kind would probably be regarded as very drastic, and I would therefore like to refer to the recommendation of the Rail-Road Committee on this subject. At page 75 they make this suggestion:

"The evils from which public service motor transport is suffering are largely due to excessive competition, unemployment among buses, and their concentration on the more populous routes. The number of licenses for buses on any route might be restricted; the issue of time-tables, publication of schedules of fares and compulsory insurance might be prescribed. Such control would raise the business to a better and more economic condition."

I should be prepared, therefore, to support the recommendation of the Mitchell-Kirkness Committee on this matter, because after all it is a question which very vitally affects the public. The railways contribute to our central revenues and we cannot see these central revenues go down.

[Mr. P. N. Saprú.]

Sir, I will now make a few observations on the future of railways. The future as envisaged in the Joint Select Committee's Report and the Bill which is based on the Report is not very bright. I know, Sir, that the railways are a commercial concern and that in some constitutions, notably in South Africa, you have a statutory authority to deal with the railway administration. But what is the nature of this statutory authority which you are going to have under this Joint Select Committee constitution which is entirely unacceptable to us? The Governor General in his individual discretion will appoint three-sevenths of the members of the railway authority. The Governor General will have the right of removing any Member of the Board. Then, Sir, the Chief Commissioner for Railways will be appointed by the Governor General in his individual discretion. It will not be open to the Legislature to consider questions of rates and fares without a recommendation of the Governor General, which presumably means, because the words individual discretion are not used here, the responsible ministry of the day. These are provisions which will reduce the control of the Legislature to a shadow. The Railway Department is a department which concerns very vitally the public. It is a department which concerns industrial labour in this country and we cannot set up an autocracy in the shape of a statutory railway authority. Sir, I think in future years we shall have even lesser opportunities of criticism so far as the railway administration is concerned than we have at present.

Then, Sir, I should like to refer to certain grievances of ticket examiners on certain State Railways in India. I do not know how far these grievances are justified. We have been supplied with a pamphlet. I was given this pamphlet here in this very room. I have not been able to study this pamphlet myself, but I should like to bring to the notice of the Honourable Sir Joseph Bhore and the Honourable Sir Guthrie Russell the grievances of these men. I hope they will examine these grievances and see whether there is any substance in them and if there is any substance in them remedy them to the extent it is possible for them to do so.

Then, Sir, there is the question of railway rates and railway fares. Commercial opinion in India has been very emphatic so far in its condemnation of the railway rates policy of the Railway Board. I am prepared to recognize that in reducing the surcharge on coal the Railway Board has met us half way. I hope they will pursue this policy and fully act as a national body in national interests, because after all it is the national interests that must be kept supreme. May I also suggest that there should be some railway workshops—I think you have a workshop in Ajmer—where you can make these locomotives. It ought not to be necessary for you to import locomotives and rolling stock from foreign countries. We ought to encourage indigenous industries as far as possible and I think railways can make a contribution in that respect also.

Then, Sir, there ought to be some holiday concession tickets for workers and the poorer classes of the community. We want to encourage the habit of travel in this country.

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Travel, Sir, has a great educative value and the countryside ought to be opened up because with a wider electorate we should like our masses to be conscious of their rights and responsibilities and for that reason, Sir, it is very necessary that we should have these concessions and return tickets so that it may become possible for the poorer section of the people to avail themselves of the opportunity for travel.

Well, Sir, these are the observations that I have to make on the railway budget, but before I close my remarks I should like again to emphasize that it is very necessary that expenditure on the strategic lines should be shown as defence expenditure. We want to know what really is the total amount that the Army Department in this country absorbs? I am not objecting to these strategic railways. Probably they are necessary for strategic purposes but then let us have a straightforward system of accounting, a system which we can all understand, which will enable us to see at a glance what it is we are spending on a particular department. These strategic railways are admittedly not railways that are running as a commercial concern. Then why confuse the two aspects? Why show strategic railways also in the general railway budget? If His Excellency the Commander-in-Chief is prepared to take over these strategic railways I have no objection and I think that our constituencies will have no objection. We will criticize the defence expenditure as we have always criticized it but this is not a proper way of dealing with the matter.

There is just one more point and that is in regard to the recommendation of the Whitley Commission about a Joint Standing Committee for settlement of labour disputes. I do not know what the position in regard to that matter is. I can read out the relevant passage but I am not going to tire the House by reading it out. I understand there have been discussions between the railwaymen and the railway authorities on this matter. I hope, before Sir Joseph Bhore retires, he will make a contribution to industrial peace and put into effect the machinery suggested by that most admirable of bodies, the Whitley Commission.

These are all the observations, Sir, I have to make on the budget.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians): Sir, I think an undeserved attack was made upon the Honourable the Railway Member. Though he does not require my defence, I think it is my duty to point out that, so far as administration goes, he has been doing his level best to make it a success. He may say in the words of the Jewish Prophets:

"The fathers have eaten sour grapes and the children's teeth are set on edge".

He has inherited the system which he is trying to improve as much as possible. What I mean is, Sir, that when we had a few prosperous years, the railway administrations were lavish, I will not say extravagant, in building a number of new stations, beautiful waiting rooms and so on. Of course, they did not then anticipate lean years; but it is the law of nature that fat years are followed by lean years. Nature may be said to recoup herself in that way. But so far as railway administration goes, Sir, I have every reason to congratulate the Railway Member upon the efficient administration of the railways as well as the Chief Commissioner of Railways on the manner in which things have been done during the last three years. I would only make one or two suggestions to the Railway Department. Sir, seeing that in the past a good deal of money has been sunk in stone and mortar I hope the administration will not hereafter follow that example. No doubt it is all very well to have beautiful stations but considering that India is a poor country let us be satisfied with stations which are convenient and which really serve the purpose for which they are intended instead of being ornamental. For instance, take the South Indian Railway. Not that I have any particular grudge against that railway but it happens to be known to me. Before that railway was acquired by Government, the Company was able to pay a very

large sum to the Government for the use of the railway.

[Sir David Devadoss.]

good dividend—I believe between 5 and 7 per cent. on the outlay. It does not pay so much now. What is the reason for this? I think I am right in saying the South Indian Railway is a State Railway?

THE HONOURABLE SIR GUTHRIE RUSSELL: The South Indian Railway is a Company Railway.

THE HONOURABLE SIR DAVID DEVADOSS: Well, take the Madras and Southern Mahratta Railway. My point is this—I may be wrong—but after it became a State Railway a good deal of money was sunk in station buildings. I mean station buildings have cost a lot of money. That means money has been spent upon something which is not capable of producing anything. So far as the permanent way and the rolling stock are concerned, we must have them in the best of conditions because upon them depends the safety of the passengers but I would certainly suggest that money should not be unnecessarily spent upon things which do not give a return, because we pay interest on the amount. It is not our own money: we pay interest on the amount that is spent and therefore we should take care to see that we spend money on things which will give us some return. That is one submission.

My second submission is that we should explore the means of meeting this road competition. It is no good killing the buses for they really benefit the people. Speaking of my own province, Sir, there are places which are far away from railway stations. We must have a bus traffic in order to bring people to the railway stations. Now if the bus traffic is killed it will affect a lot of people who live far away from railway stations. No doubt where the main roads run parallel to railway lines there is very serious competition between the railway and the bus traffic but people find the buses to be more convenient than a railway train for the reason that they have to wait at the railway station a considerable time to buy a ticket and catch a particular train and then find their way to their destination which may be at some distance from the station, whereas the buses take them almost from their very doors to the places they have to go, and thus they find the use of buses more convenient. In some cases though they have to pay a little more they are prepared to pay it for the convenience which they derive thereby.

Then, Sir, there is a good deal—of course I am speaking as a layman—there is a good deal of material all along the railway lines. Has it been ascertained whether all this material could be utilized or not? No doubt some time back there was a discussion about this and we were told that all this material was necessary. But year after year, one passing through a place finds the same quantity of material stored. I would suggest that somebody should go into this matter and see that only such material is stocked as is necessary for the purpose of replacing anything that may require replacing.

I would also suggest that the Railway Administration, in placing the budget before us, should give us some idea as to the earnings of each one of the railways to enable one to know whether railways are able to pay their way, and what is the profit which each railway has been able to earn. We want to know whether each one of the railway administrations has been able to pay its way and whether it is really able to earn a profit. I suggest this in order to create emulation among the various administrations. When we have got a combined budget, I do not think, humanly speaking, that each administration feels that it ought to show how much it has been able to earn. When a railway administration is responsible to its shareholders, it is a well-known fact that the administration takes very great care to see that the shareholders do not find fault with the administration on the date of the general

meeting. If the administration is able to declare a decent dividend, the shareholders are satisfied, but if that dividend is not satisfactory, there is a good deal of clamour, as every one who has experience of companies would know. Each administration should show a sort of profit and loss account, which would enable one to see at a glance whether that railway administration is being run on really commercial lines. It will not only show what is being done but it will also enable them to emulate one another. If one administration is able to make out that it is capable of paying 6 or 7 per cent. and another administration is not, the latter will try to see that it also comes up to that standard. Of course, there may be exceptional circumstances. In particular parts of the country where you have got plenty of passenger traffic, the railway may be able to pay more than in the case of a railway which does not carry very much traffic. But still, it will enable the administrations to emulate one another in trying to make out that it is as efficient and as cheap as possible. I would also request the Honourable the Railway Member and the Chief Commissioner to see whether the Banangudy-Palamcottah Railway could not be built soon. My impression is that that line was surveyed years ago and there was a talk that it was going to be constructed, but nothing has been done. I know personally that there is a good deal of traffic between Tinnevelley and South Travancore. South Travancore gets almost all its salt—I believe it is something like three lakhs of maunds—and its grain and a number of other things from Tinnevelley. There is also a good deal of passenger traffic. I believe that almost every 10 or 15 minutes buses run, and these buses are full of passengers. There are three or four salt factories, one at Kulasekarapatnam, one at Arumuganeri and one at Koyalpatam within about 25 miles of the Travancore border. If a railway is constructed from Palamcottah to Nagercoil, that is to say, to Travancore State and if it joins on to Kulasekarapatnam, I think it will be a very paying concern. I would ask the Honourable the Railway Member to consider whether this is not possible.

Sir, I have much pleasure in echoing what the Honourable Mr. Miller said as regards the Railway Member. He has been a very successful administrator and it is a great pity that he has to leave us owing to the way in which our services are manned. We hope, Sir, that he and Lady Bhore will have a very restful holiday. We also hope that he will come back to us to give us the benefit of his long and wide experience and to place his brilliant talents at the disposal of this country.

THE HONOURABLE SRIJIT HERAMBA PROSAD BARUA (Assam: Non-Muhammadan): Sir, I would like to make a few remarks in connection with the railway budget now before the House. The Honourable the Chief Commissioner of Railways, Sir Guthrie Russell, has assured us that the railway earnings are on the rising tide and that the Indian railways are well on the road to prosperity. That is well and good. For all that, all credit goes to the Railway Administration and the Honourable the Chief Commissioner of Railways, and our best congratulations go to the Honourable the Railway Member, Sir Joseph Bhore. The budget shows that the receipts have increased. The Honourable Member told us at the time of the introduction of the budget that the increase was due to the goods traffic and not due to the passenger traffic. The authorities, however, in an endeavour to gain passenger traffic, have made reductions in fares, particularly on the North Western Railway, and with some justification. This has increased the passenger traffic on that railway to a great extent. The Great Indian Peninsula Railway has also done something in the way of reduction of railway fares and the Eastern Bengal Railway also has done something in the shape of re-introduction of concession fares. This certainly augurs well. I think

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this sound policy should be extended to other railways also. Of course, there ought to be some loss in fares, but I think that it will be more than made up by the increase in the passenger traffic in the near future. I say this policy should be extended to all the railways and particularly with regard to the lower class, the third class and the inter class, passengers who form the bulk, or I should say, 90 per cent. of the traffic. It has been rightly said by the Honourable the Chief Commissioner that the increased traffic earnings are the life-blood of the railways. If that be so, I submit that the authorities should look to the barest amenities of these lower class passengers who form the bulk of the passenger traffic of the railways. I beg to submit that if the authorities look to the barest amenities of these lower class passengers with more of sympathy, humanity and foresight, I think they will be more than recompensed for what they may do for these lower class passengers. I do not know much about railways in other parts of the country, but I can speak with some knowledge of the railways in my province of Assam, namely, the Assam Bengal Railway and the Eastern Bengal Railway. On these railways, the authorities have hitherto been rather apathetic with regard to the amenities of third class passengers. The third class compartments on the Eastern Bengal Railway and Assam Bengal Railway are rather too small and in consequence the passengers are all uncomfortably huddled together. The benches are narrow and sometimes they can only find standing room in the compartments. I think the authorities should look to the comfort of the third class passengers on these railways. It has been suggested that third class passengers should be provided with fans. I do not see any reason why they should not be, and I do not see any reason why they should be denied the ordinary amenities of light and air. In first class compartments there are two and sometimes more than two fans, which sometimes run when there are no passengers and in any case serve only three or four passengers. The third class fare of course is only one-sixth of the first class fare, but if two fans can be given in a first class compartment for three or four passengers I do not see why an equal number cannot be provided in a third class compartment accommodating 25 or more passengers?

Then I have to say something about the waiting rooms at railway stations in Assam. There are many stations with no waiting rooms at all, and even at the main stations there is no waiting room worthy of the name for third class passengers. All that is provided is an open shed. No benches are provided and they have to squat on the floor and pass the hours waiting for trains and are entirely at the mercy of the elements.

Then, Sir, the two railways in Assam, the Eastern Bengal and Assam Bengal, although they traverse a distance of about 400 miles in Assam and have long been working there, strangely enough employ only a dozen or a dozen-and-a-half of Assamese employees. An Assamese employee in the staffs of these railways in Assam is as rare as the Dodo. In this connection, Sir, in order to elicit a few facts and figures I put some questions in the Council during the Simla session last August. My question No. 128 of the 27th August, 1934 was:

"Will Government be pleased to state the number of Assamese recruited into the subordinate ranks in the different departments of the Assam Bengal and Eastern Bengal Railways?"

And the reply I received from the Government was,

"Government have no information".

Then question No. 129 of the same date was,

"Is it a fact that there is not a single Assamese medical graduate appointed as Medical Officer on any of the State-managed Railways in India? Do the Government propose to take steps in this matter?"

And the reply I received was still more disappointing. It was,

"The Government regret they are not prepared to lay down any fixed proportion for recruitment on a territorial basis".

Sir, I do not know on what basis the appointments are made. I do not know why such treatment is meted out to the Assamese people. I claim that they do not deserve such treatment and that there is no dearth of Assamese youths at the present moment. Unemployment is acute in my part of the country and the difficulty is that they do not get any chance of being employed. The controlling authorities of these railways are inaccessible. They live hundreds and hundreds of miles away from Assam, with their headquarters in Calcutta and Chittagong. Though our people cry themselves hoarse, they cry in the wilderness; their cry never reaches the authorities. The railway stations in Assam are veritable colonies of people from outside the province. Even the Assamese names of places have been changed and distorted beyond recognition. The Assamese villagers who use these railways are subjected to all sorts of indignities and inconveniences. I am sorry to have to refer to all these things, but I feel that it is high time the authorities were apprized of the state of affairs obtaining in Assam, and it is also high time that the authorities had got rid of their apathy and indifference to such a matter of vital importance to the people of Assam. Sir, my friend the Honourable Mr. Hossain Imam referred to the representation of the minority communities in the railways and the Honourable Raja Ghazanfar Ali Khan also referred to the same subject. The Leader of the Opposition also talked about the percentages of the various communities in the services. I wish, Sir, I could also say something on that line. But to my great misfortune, far from the Assamese community having a share in the services, I have to inform this House that neither the Hindus in Assam nor the Muhammadans in Assam have any share in these services whatsoever. This is really a very sad state of affairs.

THE HONOURABLE THE PRESIDENT: Will you please conclude your speech now.?

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA: Then, Sir, I have heard with great concern that the selling of fruits by travelling vendors on running trains on the Assam Bengal Railway and on the Bengal Nagpur Railway is going to be stopped. I think it will cause untold suffering and inconvenience to the orthodox section of the passengers, particularly the lower class passengers. As a matter of fact the sale of fruits and of aerated waters is the only catering done for these people. If the selling of fruit is stopped, Sir, it will be a great hardship on the lower class passengers.

THE HONOURABLE THE PRESIDENT: I am afraid you must stop now. There are several other speakers to follow you.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA: Then, Sir, I should like to say a word or two with regard to the opening up of new

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lines. I find such a scheme is before the Railway Administration and if such projects are taken up—I understand that there is every likelihood of such projects being taken up in 1936-37—they will be paying to the railways. I would refer to at least one railway, the Pandu-Gauripur Railway in Assam. I hope the authorities will see that this line is started soon.

With these words, Sir, I resume my seat.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras : Non-Muhammadan) : Mr. President, I should like to say a few words on this occasion. I am not going to enter into big questions like policy, administration, revenues, expenditure, capital, the grievances of third class passengers, the unjustified restoration of cuts in salaries, as these have been very sufficiently and ably dealt with by my Honourable friends already. I shall just confine myself to a few matters based upon my observations and experience. Those matters which I will presently point out are after all small items requiring the railway administrations not to meet considerable expenditure but to show more consideration to afford facilities for the public convenience in the areas the railway lines traverse. The object of railway construction is to afford better facilities of transport and travel and development of the areas for better trade, industry and agriculture.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Mr. E. Miller.)

It is admitted that big and important towns are enjoying the full benefits by the service of the railway. My only complaint is that such facilities and benefits are, however small, much lacking in small towns and countryside and villages where railways traverse. The difficulties are want of proper feeder roads, well kept in order, the roads used for cart traffic across railway lines, not being well maintained, with easy gradients and approaches. In some places these passages are too narrow to permit loaded country carts to cross safely between the two rail posts. In places near railway stations where the level crossings have gates, the passage is obstructed unduly long by locking them due mostly to the fact that the gatekeeper is made to do other duties and so he has to lock the gates much earlier than the sight of the train and take a longer time to come back and open the gate. It is a common thing that traffic is held up at times for nearly an hour and that frequently in the day. In places near big stations and junctions it is still worse. In some places the level crossing of village cart tracks being neglected and difficult to cross the railway line is left unused by the people. By this the village roads in many places have to take roundabout courses, much to the added loss, discomfort and hindrance to its legitimate straight pathways. Neglect of the drainage on both sides of railway lines causes damage to crops by waterlogging in agricultural lands. Proper fencing is not provided in some places and this gives cattle access to the tracks and they get entangled and die. Then it becomes an accident and an elaborate enquiry is held causing annoyance to all concerned; yet proper consideration is not paid for future precaution. Where level crossings lie within the distance of interlocking signals and the gatekeeper is charged with other duties, the obstruction caused to the road traffic is great and irritating. In some places even important trunk roads share the same fate. I do not deny for a moment the necessity of providing safety to railway traffic; but why should the public be put to these difficulties which could be prevented easily. By giving proper attention the railway, State or Company-managed, will not be put to much expenditure as these are

absolute necessities to be set right at once. To summarize what should be actually done is:

- (1) that gate-keepers should not be given other work;
- (2) that railway level crossing roads should be properly maintained up to a certain distance on both sides;
- (3) that where there is no gate, the level crossing road should either be made to go by under passage or overbridge to suit the locality;
- (4) that sufficient breadth should be provided at those crossings, and
- (5) that feeder roads, proper drainage and fencing should be provided and maintained.

The expenditure on these I submit will not make any great reduction of the railway incomes. As the budget is said to be a deficit one, it can be said that even small expenditure may not be found possible. I will ask Honourable Members, and specially Government Members, to consider whether what I have submitted are not bare necessities which should be provided even though they may cost some money. I will strongly point out that making provision for these things is the legitimate duty of the railways.

Before I conclude, I just want to know some information on certain points. Sir, I notice that recently all the bridges, big and small, on the railway lines all over the railways have been renewed at great cost. No doubt it would be a necessity to make them more strong to bear the heavy locomotive engines and similar traffic; so also the rails. But what I want to know is in what way the old girders and other iron materials have been disposed of or proposed to be disposed of? Sir, I notice in several places that these old materials are simply stored and allowed to lie there long. May it not be possible to utilize these materials in such useful ways as for bridges, culverts on roads to be constructed by Local Self-Government Departments in such areas where these materials are easily accessible? I desire to know also, Sir, whether there will be any difficulty in adopting the method that I have suggested; as I think this will be to the mutual advantage and add more to the public good, especially in these days when the country is more and more in need of better facilities of road communication. I think, therefore, that this is a matter to be considered by Government in this road development scheme. Further, I should like to know what arrangements have been made to provide better facilities for the transport of fruits and vegetables by providing cold storage vans for distant travel in the country? Further, I should also like to know why a separate account was not shown about the earnings and the working expenditure of the district board railways managed by companies, and why the estimated income of the Podanur-Pollachi Railway has gone down?

Sir, these are the few observations which I have been able to place before Government so that I may be in a position to know where we are, because in some places a large part of the railway is being owned by the district board in the presidency of Madras. I should also be obliged if the Government would be pleased to give us some information about the proposed extension of the railway from Mysore connecting with Coimbatore. As I pointed out, it will be a convenient straight road from Central India to the south. As we are to some extent interested in this communication, I would also like to be favoured with this information.

THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU (Madras : Non-Muhammadan) : Mr. President, Sir, in the first place I congratulate

[Mr. Y. Ranganayakalu Naidu.]

the Honourable the Commerce Member, Sir Joseph Bhore and the Honourable the Chief Commissioner for Railways for not presenting a deficit budget as in previous years. I learn that the control of the Indian railways is to be handed over to the Statutory Railway Authority. Sir, these railways on which India has spent crores of rupees in the initial stages for providing the railway companies with their minimum profits and on which today, is invested as much as Rs. 802 crores of capital at charge are no longer to be subjected to the direct control and supervision of this Legislature. They are to be placed under the forthcoming "Authority" which is being manufactured in England by Parliament. Sir, this change of ownership and control is nothing short of confiscation, if not robbery, of India's greatest asset and pride. In the place of the Governor General in Council, we are to have the future Governor General alone to boss over our most important means of communication. Instead of pursuing, even to a greater extent than at present, the current timid policy of purchasing Indian stores, the future "Authority" will be unfettered in its discretion to import British stores alone. Instead of our railways trying to provide employment to our workers and middle classes, we are to have an Authority which will make it its sole aim to provide employment to British iron and steel and heavy industries workers and employers. In short, India has to be bled white again and to the bone through our own railways. Sir, I for one, cannot approve of this unholy move of Parliament and I sound a note of warning, with all the emphasis I can command, that if Parliament were to persist in this suicidal policy of depriving India of her control over her own railways, the masses cannot but feel extremely agitated and may some day rise in all their stature to do away with this as well as other iniquities. I therefore urge upon this Government the extreme need for its informing Parliament not to meddle with our control of our railways.

Next in point of importance, I wish to draw your attention to the great need for a suitable and handsome reduction in rates and fares. I am glad, Sir, to notice that the reduction of fares, though very slight and almost unnoticeable, on the North Western Railway has induced more than six millions of additional third class passengers to travel. It is a noticeable and gratifying experience that as a result, the Government has lost only five lakhs of rupees, which means that for every rupee lost, as many as 12 more passengers were benefited. Similar reductions, made on every railway are bound to benefit millions of passengers with very little or no loss to the railways and possibly with a considerable profit after one or two years. What is most important for us to remember in this connection is that through such reductions, business will largely be stimulated, habit of travelling can be created and average mileage of travelling of third class passengers can be appreciably increased.

Similarly reductions are needed in the freights chargeable on agricultural commodities in order to stimulate trade in agricultural produce. It is agriculture which has been hit most during this depression and the agriculturist who, after all, has been the mainstay of our railways has a claim upon the railway authorities. I sincerely hope Government will see their way to stimulate agriculture by lowering the freights upon rice, wheat, oil-seeds, copra, etc.

There are many ways of economizing our expenditure upon railways. To think of lowering the wages and salaries of low paid servants is unfair and uneconomical and so I do not protest against the restoration of the salaries cut. But we must learn how to economize in our stores and depreciation reserves. Sir, I find no justification whatsoever for storing 9½ crores worth

of materials and more for years together. These stores are expected to be used but I am afraid, Sir, the Railway Board seems to be keeping its stores filled with materials more for exhibition and ornamentation than for use. This causes loss of interest and reduction in the value of those materials. Again, Sir, we are setting apart much too large sums towards the depreciation reserve fund. I can understand that if we make provision for actual replacement of wear and tear and current renewals. But our depreciation fund charges are much more. What is even worse, is that all that is needed for new construction is not spent out of this fund but most of it is drawn from the new capital at charge, on which we have to pay interest. Thus during the last ten years, we have had to pay on the average 666 lakhs of rupees as interest alone owing to this bad practice. Sir, I suggest that it is these big items of wastage that ought to be properly managed. And strangely enough it is here that our Government seems to be singularly incompetent to help, God only knows why?

Sir, the time has come when we must recognize that railways are to be run not only at a profit but also to help the poor passengers.

THE HONOURABLE THE CHAIRMAN (the Honourable Mr. E. Miller): Will the Honourable Member kindly make his remarks as brief as possible? The Honourable Member for Commerce is wanted elsewhere very shortly.

THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU: Coming to the question of the grievances of third class passengers, I am constrained to say that the position is getting every day worse and worse. Though we are told that the number of third class passengers has gone down, thereby reducing the pressure upon the accommodation, it is, Sir, a matter of every-day experience with us, the rural masses, that there happens to be on most of the important trains, particularly of the Madras and Southern Mahratta Railway and South Indian Railway, very serious over crowding in third class compartments. Whether this is due to the fact that though there are in stock a very large number of spare carriages, the railway authorities do not attach them to the trains, even when the engines can pull them, I cannot say. Nor is it a consolation to us to be told that on some trains which are not so much used by people, either because they run during the night time or because they run during the non-busy part of the day, there is no over-crowding. The fact remains that there is a general complaint about a serious state of over-crowding which is complained of by various Local Advisory Committees also.

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

Well, Sir, this over crowding not only causes much inconvenience but also many quarrels and rows among the passengers with the result that most people have come to dread travelling in trains with their womenfolk and children and wherever buses are available, they get into them. But in most parts there is no other means of travelling and so millions of people are obliged to put up with the insufferable troubles of third class travelling.

Just imagine, Sir, the plight of a poor Indian who is obliged to travel over a distance of 100 miles. An ordinary fast passenger takes at least 5½ hours to cover the distance. Supposing he wants to use the latrine, as he may naturally do, in such a long interval, he finds the latrine so narrow with such a hopelessly narrower outlet that he cannot use it without spoiling the floor, if it has already not been spoiled. Indeed, invariably these latrines are in such an unbearable condition that passengers cannot but be inhaling the putrid atmosphere prevailing in the carriage.

[Mr. Y. Ranganayakalu Naidu.]

Then at every station, a passenger has to try to negotiate with every fresh passenger in order that he may be allowed to sit or stand where he is. In fact very often there is not even sitting accommodation and people will be getting on each other's nerves to such an extent that no one can hope to get even a nap during the night, which as a result is made very long indeed.

No attempt is made at any of the junctions to clean either the latrine or the carriages and one can only imagine the dirty and insufferable condition of the carriages, thanks to the general habits of our people of spitting on the floor and freely smoking and throwing all rubbish on the floor.

During summer no attempt is made in most of the stations to supply passengers with even drinking water, not to speak of providing fans in the carriages.

THE HONOURABLE THE PRESIDENT: Your time is up now. Will you please conclude your remarks?

THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU: For years together, these grievances have been aired here, without producing apparently any effect upon the railway administration. Is it because the Government thinks that the demands and needs of as many as forty-seven and odd crores of third class passengers are negligible? Sir, no other Government in the world can manage to flout so glaringly and callously the wishes of so many passengers as our Government has been doing. This state of things—

THE HONOURABLE THE PRESIDENT: Will you please conclude your speech?

THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU: This state of things is really scandalous and it is high time that even this autocratic Government begins to do something to relieve the sufferings of these poor but numerous passengers who indeed provide our railways with such a large annual income as Rs. 26 crores 79 lakhs of rupees. Otherwise—

THE HONOURABLE THE PRESIDENT: I assume the Honourable Member has heard me.

THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU: Only a little more, Sir.

One word more. We are quite prepared to concede the legitimate demands of the railway employees but we have also the right to demand of them willing and courteous service, not only to the higher class passengers, who really are able to look after themselves but also to the third class passengers. I feel sure, Sir, that if only the railway employees—

THE HONOURABLE THE PRESIDENT: Order, order. I am sorry I cannot allow you further time.

(Thereupon the Honourable Mr. Y. Ranganayakalu Naidu resumed his seat.)

THE HONOURABLE THE PRESIDENT: I will just call upon the Honourable Sir Joseph Bhole to reply. Other Members will follow afterwards.

THE HONOURABLE SIR JOSEPH BHOLE (Member for Commerce and Railways): Sir, may I begin by expressing my deep appreciation of what has fallen from Honourable Members in the nature of a personal tribute to myself. This is the last occasion upon 4 P.M. which I shall have the privilege of addressing this House in connection with the railway budget and I have some satisfaction in feeling that the statement we have been able to present to the Legislature this year justifies that sober optimism which has inspired our anticipations for the last two years. At the time, Sir, there were not wanting critics, both inside and outside this House, who felt that our expectations were based on fancies rather than on facts and who thought that our journey through the valley of depression would be much more prolonged than we had provided for. Happily it is now possible for us to say that our outlook, if it erred at all, erred on the side of conservatism, which makes for safety in these matters. Nevertheless we should not give the impression that we believe that the country is launched on a wave of prosperity and that we can now count on the certainty of a rapid recovery. Honourable Members will realize that we have tempered our natural hopes with that caution which is so essential in the administration of so vast a national property as the railways of India. Personally I feel that we have definitely turned the corner, but the movement towards old-time prosperity will I believe still be delayed. It will not be rapid, at any rate to begin with, and it may even be punctuated by temporary setbacks. I feel, Sir, that the years that we have gone through have taught us a valuable lesson. The caution and restraint which I believe have helped us to weather the storm during the past few years have also taught us lessons which will be of inestimable value, whether we are called upon in the future to face prosperity or adversity. The lessons of economy that we have learnt are not ephemeral, to be cast aside with the advent of better days. They are I hope going to be crystallised in our administrative system and I hope they will be reflected in benefits to the nation from year to year. I hope that they will be reflected in a reduction of our expenditure in the future and an increase in our efficiency. Honourable Members are aware that when depression first fell upon us we were able to make the larger and more obvious economies ourselves. But we felt that further economy in the sense of greater efficiency at less cost was possible and should be pursued. The outcome of that was the Pope Enquiry and the results of that enquiry are now available. Honourable Members will I am sure look to have more specific information as to the results of the job analyses which formed so important a feature of Mr. Pope's recommendations. On the East Indian Railway at a cost of something like Rs. 77,000 we were able to effect savings to the extent of Rs. 7 lakhs. On the Great Indian Peninsula at a cost of Rs. 56,000 the savings amounted to Rs. 4,15,000. On the North Western Railway an expenditure of Rs. 32,000 brought us in a saving of Rs. 12,66,000. On the Eastern Bengal Railway an expenditure of Rs. 63,000 brought us in a saving of Rs. 2,14,000; and on the Bombay, Baroda and Central India an expenditure of Rs. 58,000 brought us in a saving of Rs. 2,52,000. The total for all railways shows that an expenditure of some Rs. 3,36,000 brought us in a total saving of over Rs. 30½ lakhs. When it is remembered that these savings are annual and recurring in nature, it will be realized how valuable were the lines of enquiry suggested by Mr. Pope and how fruitful and effective was the pursuit after economy followed by the railway administrations. The figures that I have given refer to the year 1933-34, and they do not exhaust the possibilities of this particular method.

[Sir Joseph Bhore.]

There are clear indications that we shall be able to secure further savings of no small magnitude, and I can assure the House that railway administrations will continue to pursue this method until they are satisfied that nothing further is to be got from it.

I have referred, Sir, to this particular aspect of railway administration in order to emphasize the fact that railways are no longer content to meet adversity with the time-honoured method of raising rates and fares. On the contrary, they have made notable reductions both in rates and fares, as experimental measures, and they have sought a much more effective weapon against adversity, the weapon of securing permanent economies and greater efficiency.

Now my Honourable friend Mr. Chari referred to two points, one regarding the re-employment of retrenched staff and the other the employment of domiciled Indians on the Burma Railways. I can give him the assurance that both these points will be borne in mind and investigated.

Then I was asked by another Honourable Member, "What have you done to try and increase your traffic?" The reply to that, Sir, I gave yesterday in another place and perhaps the House will bear with me if I repeat what I said on that occasion. I pointed out that we were perfectly aware that it was absolutely essential for us to continue to do all we could to improve and better our service to the public. I pointed out, however, that the times were hard and that opportunities for making any very large innovations were unfavourable. We had been faced with enormous deficits. We had to face a deficit of Rs. 10 crores and 23 lakhs in 1932-33; of Rs. 7 crores and 96 lakhs in 1933-34; of Rs. 4 crores and 24 lakhs in 1934-35. And I pointed out that even in the year 1935-36 we hoped to do little more than bridge the yawning gulf that had existed between income and expenditure in the previous years. Nevertheless, though these facts show quite clearly that our policy of caution was amply justified and was in fact the only policy we could have adopted, I said we had taken our courage in both hands and we had made large experiments in the matter of reductions, especially with a view to increase facilities to the largest section of our passenger clientele, namely, third class passengers. I pointed out that we had some time ago reduced third class fares on the North Western Railway system. That innovation, Sir, has brought us in so far a net loss, because, though the reduction in fares has resulted in an increase in the number of passengers, the number of passengers has not been sufficient to make up for the loss due to decreased fares and the increased cost of operating our enhanced traffic. I pointed out that nevertheless we were continuing with that experiment, that we had gone so far as to extend it to other systems—to the Great Indian Peninsula and to the Eastern Bengal Railway systems—so far at any rate as the issue of cheap return third class fares was concerned. I pointed out also, Sir, that so far as reductions are concerned, we have to bear in mind the one basic consideration, namely, that the material interests of railways must be safeguarded. After all, railways represent the largest of the State's investments and the solvency of the State is intimately bound up with the solvency of railways. Then, Sir, I went on to say that we had not merely reduced passenger third class fares, we had also very largely reduced freight rates and I pointed out that our reductions in respect of certain commodities had been so large that we had drawn upon ourselves the criticism of rival carriers, namely, the shipping companies. I think the House will realize that we have done a very great deal in order to attract traffic to ourselves by this method of reducing rates and fares on an economic basis.

Then, Sir, as regards the representation of minority communities, a point raised by my Honourable friend Raja Ghazanfar Ali Khan, I will only say that very definite instructions have been issued as regards the percentages of Muslim recruitment. The Chief Commissioner will discuss next month with the Agents who are coming here the machinery required to enforce these orders regarding recruitment; and I can give the assurance that we shall take such steps as may then be found necessary to see that those orders are actually carried out in practice. I can also give my Honourable friend Mr. Miller the assurance which he asked for that no final conclusions will be taken in regard to the re-classification of the goods tariff without the fullest consultation with the representatives of commerce and trade. He raised the question of the competition of railways with shipping companies. This was a matter, Sir, I dealt with at some length in another place yesterday and I would suggest that he read my remarks when they are in print. Then, Sir, my Honourable friend Mr. Banerjee charged us with lack of imagination. Sir, I am sure we cannot charge him with any lack of imagination and I am sure if my Honourable friend has his wish and comes on to these benches he will then become an authority on bankruptcy!

Sir, in the circumstances in which I am addressing the House today, I think it is natural that I should wish to give to the House a very brief resume of the financial position of the railways on the eve of my handing over the administration of this great national asset to my successor. I wish the story could have been brighter, but I think we have the right to congratulate ourselves that it is not far worse. We have weathered the storm far more successfully than have most railways in the world; and if we bear unmistakable traces of what we have passed through, nevertheless we are sound, in our essential structure. I would like, Sir, to draw a picture until the end of 1935-36, by the end of which time I hope that this dismal tale of deficits will have come to an end and that the railways will be in a position to carry on from the point at which depression fell upon them and blocked for the moment all plans of further development. At the close of 1935-36 we shall be owing to general revenues by way of contribution a sum of Rs. 26 crores. At that time our depreciation fund will stand at something like Rs. 14 crores. The figure at which it should have stood is Rs. 41½ crores had we not borrowed from it to make up our deficits. Those are our outstanding obligations. Against that must be set the fact that we have never failed during all this period to pay interest in full on all the capital at charge. We have during the past five years paid a sum of not less than Rs. 163 crores in interest, and I am sure Honourable Members will agree with me that having regard to what we have passed through during these five years that is an achievement, Sir, which shows beyond doubt the intrinsic strength of the railway position and the care with which railway resources have been husbanded. It would be idle for me to conceal the fact that it has been a bitter disappointment to me and to all to those who are associated with me in the work of administering railways in this country that we should have been forced to adopt a purely defensive policy during the past five years. Despite what Mr. Banerjee said, I must say a word of praise for those who have been such loyal helpers to me here, Sir, during these past three dark years. I can only say that I have the deepest appreciation of what they have done. When trade is booming, when business is brisk, when the revenues of railways are expanding and there is plenty of money for development and expansion, it is a comparatively easy matter, Sir, for railwaymen to be enthusiastic in their work; but it is during the dark days of depression when development is stopped, when depressing economy is the daily watchword and when heavy deficits hang darkly over

[Sir Joseph Bhore.]

the administration that it calls for a large measure of courage and steadfastness that carry on. I would like, Sir, to acknowledge the manner in which all railwaymen from the highest to the humblest have maintained their morale, have helped us to carry out necessary economies and have gone through the long trial to which they have been subjected without loss of efficiency; and if I here, Sir, single out two names for special mention it is because their personal relations with me have brought them into constant contact with me and enabled me to judge of their work and of their worth. My predecessor just before he left paid a tribute to Sir Guthrie Russell and I would like to echo every word of it. (Applause.) His cheerful courage, which has risen superior to all the trials that we have had to face, his loyalty and his eminent reasonableness have been a tower of strength to me. (Applause.) What Sir Guthrie Russell has been on the side of general railway administration Mr. P. R. Rau has been on the financial side. He has had a most difficult task and he has come through with success, if I may say so. I owe to these two officers a real debt of gratitude and Honourable Members will I hope forgive me if I take this opportunity of acknowledging that debt. Honourable Members will also I hope forgive me if I allow the personal note to bulk somewhat largely in my speech today and if I relegate somewhat to the background the criticisms which have fallen from Honourable Members during the day's debate. After all Honourable Members know that nothing that they say in this House falls upon deaf ears. The records of debates are most carefully scrutinized and examined and nothing which calls for action, if this is possible, is ever left uninvestigated or unexamined. (Applause.) It is therefore, Sir, the less important for me to take up all the points which have been made in today's debate.

I may have, Sir, another occasion for addressing this House before I leave and before the Indian Legislature becomes to me a memory of past days. In case, however, I do not, I should like to take this opportunity, Sir, with your permission, of expressing my deep and warm appreciation of the consideration and courtesy I have always received from you and from Honourable Members in this House. I cannot forget that for a brief space I was a Member of this House and I think during one session I discharged the onerous duties which have for so long and so worthily been fulfilled by my Honourable colleague who I am sorry to see is not here today. Honourable Members will realize that it is a little difficult for me to say all I would to the House before I go. I have always regarded them as personal friends and not as possible political opponents. I trust I have borne their mild castigation with due fortitude and I have never ceased, Sir, to appreciate the courteous hearing I have always been certain of receiving when I have addressed this House. I venture to express the hope that when my Honourable friend, Sir Guthrie Russell, next year presents his statement to this House it will not be clouded by the shadow of deficits which have haunted its predecessors for so many years and that it will foreshadow an era of new prosperity to India and its railways. (Applause.)

~~THE HONOURABLE THE PRESIDENT:~~ Before I adjourn the House I desire wholeheartedly to associate myself with the tribute which has fallen from Honourable Members for our esteemed friend, Sir Joseph Bhore. This House has been in contact with him for a period of nearly five years. For a brief period he was the Leader of this House and then we discovered his great talents, his sobriety of judgment and his capacity for work. When three years ago as the first Indian he was put in charge of one of the most important departments of the Government of India, the Commerce and

Railways, we all expected that as the first Indian he would distinguish himself in that office and bring credit to Indians. Our expectation has been more than fulfilled. During the past three years during which he has held that office, he has served the Government with great distinction and his achievements are of no small order and well known to you all. He has battled during the last three years under most difficult circumstances, to use his own words, against shrinking traffic and dwindling profits. It was his capacity, his courage and his sound judgment, together with the valued assistance which two of his colleagues, Sir Guthrie Russell and Mr. Rau, rendered, which have helped to put the finances of the railways on a sound basis. I can only say on your behalf that we shall miss him and his occasional visits to this House very much. However, we hope that in his retirement he will have all possible happiness. I expect that he is not going to remain unoccupied after his retirement and we all wish him all possible manner of happiness and prosperity. (Applause.)

The Council then adjourned till Eleven of the Clock on Monday, the 25th February, 1935.

COUNCIL OF STATE.

Monday, 25th February, 1935.

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

QUESTIONS AND ANSWERS.

NUMBER OF BRITISH AND INDIAN SOLDIERS BY ARMS ON 1ST OCTOBER, 1934.

44. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Will Government be pleased to give the number of British soldiers employed in India in all sections of the army separately ?

(b) What is the number of Indian soldiers at present ?

(c) Will Government be pleased to state the pay and allowances of a British soldier and those of an Indian soldier ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) and (b). I lay a statement on the table giving the figures for the regular army.

(c) The pay and allowances of the British private soldier amount at the moment to about Rs. 850 per annum, while those of the Indian sepoy amount to about Rs. 285. These figures include, besides basic pay, messing, kit and clothing allowances and proficiency and deferred pay.

Strength of British and Indian soldiers by arms on 1st October, 1934.

Arm.	British.	Indian.
<i>Combatant services.</i>		
British Cavalry	2,848	65
Artillery	9,292	10,820
British Infantry	38,636	1,854
British Infantry Training Company		210
Tank Corps	1,156	
Indian Cavalry		10,180
Engineers Sappers and Miners	164	9,481
Signals	2,001	3,506
Indian Infantry		88,979
Mechanical Transport	374	3,381
Animal Transport Units	44	9,744
Total Combatants	54,515	133,170

Strength of British and Indian soldiers by arms on 1st October, 1934—contd.

Arm.	British	Indian.
<i>Departmental and administrative services.</i>		
Medical Services	753	3,347
Supply Services	303	..*
Remount Services	16	140
Veterinary Services	4	536
Training Establishments	496	101
Master General of Ordnance (Indian Ordnance Department) and Indian Army Ordnance Corps	608	879
Military Grass Farms	44	80
Embarkation Staff Railway, Transport Staff and special attached sections	45	2
Army Educational Services	168	63
Indian Army Corps of Clerks	308	..*
GRAND TOTAL	57,260	138,318

* Indians are employed in the supply and clerical services, but in a civilian capacity.

MILITARY AIRSHIPS.

45. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Will Government be pleased to state the number of military airships maintained in India and the places where they are kept?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: There are no military airships in India, that is to say, aircraft which are lighter than air. The establishment of first-line aeroplanes under the orders of the Air Officer Commanding in India is 102. These are located normally at Peshawar, Kohat, Risalpur, Ambala, Lahore, Karachi and Quetta.

AMOUNT PAID BY THE GOVERNMENT OF INDIA TO PROVINCES FOR SALT PREVENTIVE WORK.

46. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Mr. Jagadish Chandra Banerjee): (a) Will Government be pleased to state the amount paid annually by the Central Government (i) to the Bengal Government, (ii) to the Bihar and Orissa Government for salt preventive work in those provinces?

(b) Has any enquiry been made by an officer of the Madras Salt Department regarding the work done by the Salt Department in Bengal and Bihar and Orissa and was any report submitted by the said officer?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to lay on the table a copy of the report submitted by the officer concerned? If not, why not?

(d) Will Government be pleased to state whether any concrete proposals were made by the officer concerned to the effect that salt preventive work can be done more economically in the two provinces? If so, will Government be pleased to state whether they propose to take any steps on the lines of the said report for economising expenditure? If not, why not?

(e) Will Government be pleased to state what work is actually done by the Salt Department of Bengal, and Bihar and Orissa and whether the amount paid by the Central Government annually to these provinces is actually spent on salt preventive work? If not, for what purpose is that amount utilised and is such utilisation of the money for other objects sanctioned by the Government of India? If so, why?

THE HONOURABLE MR. P. C. TALLENTS: (a) The Government of India make a fixed annual contribution of Rs. 2 lakhs to the Government of Bengal for conducting inland preventive work, administering inland bonded warehouses, controlling saltpetre refineries and soda factories and dealing with matters relating to remission of duty on salt including educed salt used for industrial purposes. It is not possible to say how much of this expenditure is devoted to preventive work only.

A sum of Rs. 76,000 is paid to the Government of Bihar and Orissa annually for salt preventive work done by them in Orissa. Preventive work in Bihar is done by the Northern India Salt Revenue Department.

(b) Yes.

(c) No. The report is intended for official use only.

(d) Yes. The Government of India have the report under consideration.

(e) The duties performed by the Government of Bengal are stated at (a) above. The work done by the Government of Bihar and Orissa in Orissa consists of prevention and detection of offences chiefly relating to illicit manufacture, possession and sale of salt in the three saliferous districts of Cuttack, Balasore and Puri.

The amounts are contributions to the cost of combined establishments which actually perform the duties in respect of which the contributions are paid.

ANNUAL COST INCURRED BY THE NORTHERN INDIA SALT REVENUE DEPARTMENT FOR SALT PREVENTIVE WORK IN DISTRICTS.

47. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Mr. Jagadish Chandra Banerjee): Will Government be pleased to state the number of districts in which preventive work is done by the Northern India Salt Department and the annual cost of upkeep of the establishment maintained by that department and also the number of districts in which salt preventive work is done in Bengal and Orissa and the annual cost of upkeep of the establishment maintained by the departments in those provinces?

THE HONOURABLE MR. P. C. TALLENTS: Salt preventive work is done by the Northern India Salt Revenue Department in the following places:

29 districts in the Punjab, 48 in the United Provinces, and 11 in Bihar; Kohat district in the North-West Frontier Province, Ajmer-Merwara and the Rajputana Salt Sources Division as a whole.

The cost of preventive establishment in the department was Rs. 3,41,744 during 1933-34.

The number of districts in which this work is done by the Government of Bengal is 7. The Government of India make a fixed annual contribution of Rs. 2 lakhs to the Government of Bengal for conducting inland preventive work and in addition administering inland bonded warehouses, controlling of saltpetre refineries and soda factories and dealing with matters relating to remission of duty on salt, including educed salt, used for industrial purposes. It is not possible to say how much of this expenditure is devoted to preventive work only.

Salt preventive work is done by the Government of Bihar and Orissa in three districts in Orissa and the Government of India pay a fixed annual contribution of Rs. 76,000 to the local Government in this connection.

In each case the work is done by the excise staff of the local Government as a part-time job.

AMOUNT REALISED FROM THE EXCISE DUTY ON MATCHES.

48. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Mr. Jagadish Chandra Banerjee): (a) Will Government be pleased to state the amount of money realised upto date from the recently imposed excise duty on matches manufactured in India?

(b) Will Government be pleased to supply a list of indigenous match factories located in India, province by province, and also the amount of money contributed by each province under the head of match excise?

(c) Have Government received representations that this excise duty has hit hard many factories in their infancy?

(d) Will Government be pleased to state the actual production of "Wimco" matches before and after the imposition of this excise duty?

THE HONOURABLE MR. P. C. TALLENTS: (a) Rs. 1,12,67,000 up to the end of January, 1935.

(b) The information has been called for and will be laid on the table of the House in due course.

(c) A number of representations were received, but they do not appear to have drawn particular attention to the case of newly established factories.

(d) I am not in a position to supply the desired information.

NUMBER OF STORES PURCHASE CIRCLES UNDER THE CHIEF CONTROLLER OF STORES.

49. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Mr. Jagadish Chandra Banerjee): (a) Will Government be pleased to state the number of Stores Purchasing Circles under the Chief Controller of Stores, Delhi and Simla, and the amount of stores purchased through this organisation in 1933-34?

(b) Will Government be pleased to state whether there is a branch for Stores Purchase in London? If so, who is the Controller of that organisation?

(c) How many Controllers of Stores are there under the Chief Controller? What is their salary?

THE HONOURABLE MR. D. G. MITCHELL: (a) Besides the Purchase Branch at Headquarters, which comprises three sections, there are three Purchase Circles under the Chief Controller of Stores. They are located at Calcutta, Bombay and Karachi. The total value of orders placed by the Indian Stores Department was Rs. 3,59,94,135 during 1933-34. Full details of the work done by the department are given in the Administration Report of the Indian Stores Department for that year, a copy of which is available in the Library of the House.

(b) There is an organisation in London, called the India Store Department, under the control of the High Commissioner for India which deals, among other things, with the purchase of stores. The head of the organisation, designated "Director-General, India Store Department", is at present Lieutenant-Colonel Sir Stanley Paddon.

(c) At each of the three Purchase Circles there is a Controller of Purchase. The scale of pay of the Controller at Calcutta is Rs. 1,500—75—1,800. At Bombay and Karachi it is Rs. 1,000—50—1,200.

AMOUNT OF STORES PURCHASED BY THE INDIAN STORES DEPARTMENT.

50. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Mr. Jagadish Chandra Banerjee): (a) Will Government be pleased to state the amount of stores purchased in 1933 of purely Indian manufacture?

(b) Will Government be pleased to state the reduction affected year by year in the Stores Purchase organisation in London since the Indian Stores Department was first established?

(c) Is it a fact that the Indian Stores Department was created with the ultimate object of closing the London Stores Purchase organisation?

THE HONOURABLE MR. D. G. MITCHELL: (a) It is presumed that the Honourable Member refers to purchases of stores made by the Indian Stores Department and his attention is invited to paragraphs 24, 25 and 70 and to Appendix VII of the Administration Report of the Indian Stores Department for 1933-34, a copy of which is in the Library of the House.

(b) The Honourable Member will find the information he requires in the annual reports on the work of the India Store Department, London, which are available in the Library of the House.

(c) No.

RADIO RECEIVING.

51. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Mr. Jagadish Chandra Banerjee): (a) Will Government be pleased to state whether considerable interference is caused in radio receiving owing to defective electrical appliances in Dacca?

(b) Has there been any complaint received by the Postal Department from radio licence holders at Dacca?

(c) Will Government be pleased to state what action it intends to take?

(d) Is it a fact that the law as it stands at present does not empower the Postal Department to take steps to effect a remedy for such a state of affairs?

(e) Will Government be pleased to state whether they intend to amend the law to enable the Postal Department to take such action against the person or persons causing the disturbances as may be necessary?

THE HONOURABLE MR. D. G. MITCHELL: (a) Government have no information.

(b) No such complaint has been received by the Director General, Posts and Telegraphs.

(c) Does not arise.

(d) Yes.

(e) Government have this matter under observation but do not consider any action is necessary at present.

RESOLUTION *RE* REDUCTION OF BRITISH SOLDIERS IN INDIA.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): If you will permit me, Sir, I want to move my Resolution in a slightly amended form because I find it will be more acceptable to the other groups and may be acceptable to the Government as well. I want to insert the word "substantially", after the word "reduce" and to delete the words "from 60,000 to 30,000."

THE HONOURABLE THE PRESIDENT: But there is a similar amendment by the Honourable Raja Ghazanfar Ali Khan. I would like to know from him if he has any objection?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I have no objection, Sir.

THE HONOURABLE THE PRESIDENT: I will allow the amendment.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I beg to move:

"That this Council recommends to the Governor General in Council to reduce substantially the strength of British soldiers in India".

In addressing the cadets of the Indian Military Academy in November last, His Excellency the Viceroy was pleased to remark as follows:

"Most sincerely I wish you success in your future careers and trust that you may prove worthy of the great military traditions and history of your motherland and will never do anything which will bring discredit on the Military Academy".

His Excellency was pleased to remind the students of the Academy of the glorious military traditions and history of India. Indeed, India has got a glorious history so far as military achievements are concerned. It was only due to the unfortunate incident of 1857 which has caused the Indian soldier to be distrusted, and in spite of the fact that they have proved their worth, gallantry and devotion to duty time and again during the wars since then, the ratio then fixed of 2 Indians to 1 British soldier is still maintained.

Sir, my Resolution has two aspects—financial and political—and I would like to place my views on these separately. As regards the financial aspect, I submit that India is spending the largest amount on the upkeep of its military forces in comparison with the other Dominions in the Empire considering the revenues of the country. In making this assertion I am supported by Justice Sir Shadi Lal in his note of dissent to the report of the Tribunal on certain questions in regard to defence expenditure in dispute between the Government of India, the War Office and the Air Ministry. He had first-hand information available in regard to military forces in other Dominions and all the facts and figures were placed before the Tribunal. In his note on page 33 he says:

"It appears that the ratio of military expenditure of India to her public revenue is higher than in any other part of the Empire or in any foreign country. The statistics supplied to us also show that in respect of certain colonies where British troops are stationed, the Imperial Government have adopted the rule that the cost to be levied from them should not exceed one-fifth of the total assessable revenue of the colony concerned".

That was his opinion based on the facts and figures supplied to him. Therefore I submit that India, considering her revenue, is spending much more than other colonies on their military forces.

Sir, we all know that India has been made the training ground for British and foreign soldiers, who are transported to India and receive their training at the expense of India, which pays for their recruitment, transport and maintenance. We all know that the Capitation Tribunal decided to give a very paltry sum by way of compensation, to cover the cost for all services, namely, a sum of Rs. 2 crores, while we are spending much more in the training and maintenance of these forces. It was only the other day that an Honourable Member in the other House put a question about the expenses incurred on a British and Indian soldier, respectively. I have also asked the question this morning and His Excellency the Commander-in-Chief in reply said that they were spending Rs. 850 per annum on a British soldier and Rs. 285 on an Indian sepoy. That is, a British soldier costs more than three times what an Indian soldier costs. We all know the financial condition of India today. We are having deficit budgets and the deficits year after year are made up by further taxation, sometimes by novel forms of taxation, and many infant industries are being killed on account of this heavy burden of taxation. In comparison with other countries India is a very poor country, where millions do not get even two meals a day. With all that the burden of taxation is steadily increasing, mainly to meet certain obligatory expenses on our army. Since 1917 a policy of Indianisation has been started, but with what result? In all these years we find from the answer given by the Government in the other House only 195 Indian officers have been taken on out of a total strength of 7,000. Sir, we were supplied with two pamphlets last year. One relates to some facts and figures of Indian defence, 1933-34. This pamphlet was supplied to us by the Government to show us how much we are spending on our defence forces and what the present state of affairs is. Honourable Members will find on page 23, paragraph 4, how the money is being spent in the Army Department. The report says:

"The total gross expenditure excluding receipts comes to about Rs. 49½ crores. Of this sum about Rs. 25½ crores or 52 per cent. are spent on pay and allowances of the services. About Rs. 15½ crores go to the fighting services, and Rs. 10½ crores to the others; over Rs. 8½ crores or 17 per cent. go on pensions; rather under Rs. 7½ crores or 15 per cent. on the manufacture and purchase of stores of all kinds".

So, Sir, in this way they have given how sums the total of which comes to about Rs. 49½ crores is being spent by the Army Department and by this you will

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

find, Sir, that we are paying as much as Rs. 8½ crores or 17 per cent. on pensions. On page 27 they have given a full description of the strength of British and Indian soldiers in different departments of the army and with your permission, Sir, I will read one paragraph to enlighten the House so far as the strength of British and Indian soldiers is concerned.

"The reasons for the Indian demand for the reduction of British troops and the Indianisation of the army are two-fold. They are partly financial, on the ground that British troops cost more than Indian troops, and partly political, because there is a perfectly natural feeling that, until India can stand on her own in the matter of defence it will be impossible for her to achieve the measure of self-government towards which she is aiming."

The remarks that they have made in this report are exactly what we are pressing this day on the floor of this House.

"To take the first of these reasons first, it will be of interest to examine how much India is paying at present for British troops and what the saving would amount to if they were entirely replaced by Indian troops. The defence estimates are not compiled in such a way as to give a ready answer to this enquiry, but the information was given in 1932 in reply to a question in the Legislative Assembly that the total cost of the British portion of the army in India might be taken to amount to Rs. 13 crores. This referred to fighting troops. Statement I in the Defence Estimates also gives the information that the total strength of the British personnel in the Defence Forces (including the Royal Air Force, the Royal Indian Marine and the permanent establishment of the Auxiliary and Territorial Forces) amounted on April 1st, 1933, to 7,154 officers (including the 143 officers with King's commissions, who are technically counted as British officers) and 60,038 British other ranks. The fighting units and staffs accounted for 4,562 British officers and 55,952 British other ranks or a total of 59,614; the administrative and ancillary services included 2,241 British officers and 3,707 British other ranks besides, of course, a large number of Indian other ranks. The Royal Air Force had 256 British officers and 1,881 British other ranks; and the Royal Indian Marine contained 95 British officers and 35 British other ranks."

These, Sir, are the figures that are given in this report which was circulated to us last year. Further on they say:

"The five British cavalry regiments cost Rs. 80·25 lakhs, while the same number of Indian cavalry regiments would cost Rs. 35·80 lakhs".
That is less than half.

"The saving therefore would amount to Rs. 44·45 lakhs. The 45 British infantry battalions cost about Rs. 7·77 crores, while the same number of Indian infantry battalions would cost about Rs. 3·02 crores".

That is much less than half.

"The saving would therefore amount to about Rs. 4·75 crores".

These are the facts and figures that were given by the Government and placed before us and we find that in every section of the army we are paying much more to a Britisher than to an Indian. When Indians have proved their worth, gallantry and devotion to duty on so many occasions, there is no reason why a substantial reduction of the British forces should not be made; and if the present condition of India requires the same strength of these forces—and I do not agree with that—they can be replaced by Indian soldiers to the great advantage and less expense to India.

Now, Sir, I come to the second part of my Resolution. What are the political reasons underlying this Resolution. Sir, whenever we ask for dominion status or home rule, we get the point blank answer that the first and preliminary thing for India is to be able to defend herself before she can be considered fit to get dominion status or swaraj. How, Sir, shall we be ever able

to defend our country unless the pace of Indianisation is speeded as much as is required by the situation? With the present speed I am afraid it may take a century or two before India is able to defend herself. Sir, Major Attlee in his Minority Report on the Joint Parliamentary Committee has definitely said the same thing. In his minute of dissent he writes:

"So long as British troops are employed in India, whether for external defence or for internal security, it is in our view impossible to bring them under the order of a responsible minister".

These are the views of an important member of the British Parliament belonging to an important Party. But in spite of all that we find that the former ratio of 2 to 1 is still maintained. I would remind the House that recently two committees were set up and the question is as to what was their finding, what was their personnel and whether they were composed of men on whom we can safely place our reliance or not? These two committees to which I want to refer are the Shea Committee and the Skeen Committee. The Shea Committee was composed of three lieutenant-generals, three major-generals, three colonels and two lieutenant-colonels. Surely such a Committee could be relied on to know to what extent the army could be Indianised without endangering efficiency? Sir, they have in their report recommended that the complete Indianisation of the army within 30 years is a practical proposition. As I have said, Sir, this Committee of many experts were of opinion that 30 years are quite sufficient for the complete Indianisation of the Indian Army. May I put the question to His Excellency the Commander-in-Chief, "What has been done with regard to this report? Why has Government not given effect to the recommendations of this report and thrown it into the waste-paper basket?"

Then, Sir, another committee was appointed. It was presided over by Sir Andrew Skeen. This Committee also expressed the opinion that half of the cadre of officers should be Indianised by the year 1952. May I ask the Government why the recommendations of this Committee have not been given effect to? These are not the views of a layman or armchair politicians like ourselves. They are the views of your own experts and if you are not prepared to rely on their views how can we expect that our lay opinions will carry any weight so far as the question of Indianisation of the army is concerned?

Sir, we all know that the first Round Table Conference wanted seriously to tackle this problem and they appointed an expert committee to give its opinion so far as the Indianisation of the army is concerned. We do not know what was the result of that Expert Committee's deliberations. The report was never published but we find that the authorities concerned have not accepted their recommendations and have decided to stick to the existing ratio of Indianisation. So, Sir, when committee after committee of Government experts have failed to find acceptance at the hands of the Government, we cannot help wondering how many centuries it will take to Indianise the army. May I ask, Sir, if this is the way to go about it? What are the definite proposals of the Government to speed up Indianisation of the army and how long do the Government propose to take over the process of Indianisation? Sir, we all know that Japan in the very short time of 20 years reorganised its army on national lines and at present the Japanese forces are as good as, if not better than, the fighting forces of the other great nations of the world. If Japan can completely reorganise its forces on national lines in 20 years, I see no reason why India cannot do it. Let it be in 20, 30, 35 or 40 years, but for God's sake let us know the definite period during which you want to completely reorganise the army on national lines.

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

Sir, since the present ratio of British and Indian troops was fixed several important changes have taken place. Fighting will in future not be so much on land as in the air. Now in answer to my question this morning we were told that in India at present we have an Air Officer Commanding about 102 aeroplanes. I think, Sir, that is a very sufficient number. We have established so many aeroplanes in India. We have also established naval forces. It is therefore only in the fitness of things that we should now reduce our armed forces to at least half, if not more.

Sir, there is another pamphlet, as I said which, was circulated to us last year containing a summary of important matters connected with the defence operations carried out in India in 1933-34. By going through this summary we find that our forces were engaged in about five operations during last year. I do not want to waste the time of the Council by reading out all it says about these operations but the point I wish to make is that in all these operations Government found the air forces substantially helpful. Which means, Sir, that aeroplanes have greatly reduced the utility of the land forces, and therefore I do not see any reason why they feel shy about reducing the land forces and thus bringing down substantially their military budget. Sir, during the war there was a time when less than 15,000 British soldiers were left in India. The rest were all despatched to the fighting line. May I ask, Sir, if the Government ever had the least difficulty in administering Indian affairs at that time with these reduced British forces? If, at that important and dangerous time when so many States were grouped on one side and equally States were grouped on the other side, when nobody knew when there would be an attack on India, affairs here were thoroughly and satisfactorily managed with less than 15,000 British troops, then why at a time of peace can they not manage with 30,000 troops? I do not see any reason, Sir, if they could be managed then, why they cannot be managed now? And therefore, Sir, I request with all the emphasis at my command that His Excellency may kindly see his way to reduce substantially the number of British troops maintained in India at present.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, in view of the amended form in which my Honourable colleague, Mr. Mehrotra, has moved his Resolution, I do not now propose to place my amendment* before the House. That amendment, of which I gave notice, was intended to concentrate attention on the strength of the British Army of Occupation now in India. It is a well known fact, Sir, that the quantum of the army is dependent primarily on the work that it has to perform. An army which is required only to guard internal peace would be quite different in numbers to an army that is required to fight a second class or third class power and the strength which you would require to fight a first class power would be quite different. It is from that standpoint that I wish to tackle this question. We, Sir,—and by “we” I do not mean the non-official Indians, but I mean the entire Government of India,—are, in this matter, as powerless to dictate as the non-officials. The strength of the army, the duties which it has to perform—all these are laid down by the Committee of Imperial Defence.

“His Majesty's Government claim to exercise through the Cabinet and do exercise a powerful voice in deciding the strength of British troops to be maintained in India, the major organisation and the standard of training; in fact, everything on which the cost of the establishment depends”.

*“That for the figures ‘30,000’ the figures ‘48,000’ be substituted.”

Not only this. India is made the depot for the stationing of troops for imperial purposes. If any proof is required, I will show that from the report of the Mesopotamia Commission, page 14, *it will be seen that India was actually compelled to send out troops during the war.* I would like to remind the House of a passage on which I laid great stress during the debate which we had during the last few days :

“The army in India serves an imperial purpose because it is unquestionable that the British garrison in India is of incalculable value to the British Government and the Empire generally in addition to the services it renders to India in particular. Without it (that is, the British Army in India), either the imperial garrison in the East would have to be increased or an imperial reserve would have to be located in the East at the expense of the Home Government”.

This is the opinion of a very high authority. We have got an example before us. Australia, one of the Dominions, is not able to safeguard itself against the maritime dangers which may threaten her. The result is that the Empire, at the expense of England, maintains a base in Singapore and at other places in Eastern waters. It is there primarily for the safety of Australia, and secondarily for the safety of other parts of the Empire in those waters. There is another example. In Egypt, a part of the British army is maintained for which nothing is charged to the Egyptian Government. That army is now 10,000 in strength. Sir, unless we have a voice in settling the duties that the army in India has to perform, it is idle to confront ourselves with saying that the requirements are so much, because the requirements are dictated by others. If there is to be an independent judgment on this question, namely, whether the duties that have been assigned to the British Army in India are those which are purely Indian in nature, then and only then can we say that the strength of the army which is being maintained in India is in the interests of India herself. But if the duties are of an imperial character, as has been admitted very fully by people who are competent to judge of the matter,—I do not mean idlers from this side of the House,—then the British Government ought to compensate. If it is a fact—and I have no doubt that it is a fact—that the strength of the army is measured by the duties which it has to perform, and these duties are dictated by the British Government; therefore, when we say that this strength ought to be reduced substantially, what we mean is that the duties which are assigned to the British Army in India should be materially altered. If it is not possible even to alter these duties, the least that can be done is to substitute Indian personnel for British personnel, because British personnel involves payment which is a drain to the wealth of the country. Any expenditure incurred in payments inside the country does not mean any reduction in the wealth of the country, but payments for outsiders involves a reduction in the wealth of the country. This is almost axiomatic and I need not labour the point.

The strength of the army at the present moment is in the ratio of about 1 to 2 of Indian soldiers. Before 1857, in the time of the East India Company, the ratio was 5 to 1. We thought that during the last 80 years of connection with the British Crown, the capacity and the abilities of the army would improve and not deteriorate. It is a strange commentary on the way in which the British Government have trained the Indian personnel of this army that they are now regarded as inferior to those who were in the service of the East India Company. What is more strange is that during the time of the East India Company, the army used to be truly national in character in this sense, that it used to consist of men from all sides and parts of the country. Now, it has become concentrated to a small portion of the north-western corner of India, and other parts are left out. What I am particularly concerned with is,

[Mr. Hossain Imam.]

if it was quite convenient, when there were hostile powers inside the country, when there was no peace in the country, when there were always wars on the western and eastern frontiers,—I mean the wars of Burma, Assam and other places,—if it was possible then for the British Government to maintain a ratio of 5 to 1, why not now? Is it not strange that when the Indian soldiers had proved their mettle, when they had proved in the four years' campaign during the Great War that they are worthy of every confidence reposed in them, that the old and fallacious ratio of 2 to 1 should still be maintained? I thought that on the battlefields of Flanders we had justified our claim at least to revert to the position which the Indian soldiers occupied during the days of the East India Company. Even if this is done, it will effect a sufficient and enormous saving in the army budget. Now, Sir, what are the disadvantages of having 60,000 men? I will just cite a few instances. *No part of the British Empire pays capitation charges except India.* India is the one and only culprit which has been penalised by being asked to pay capitation charges. The strength of the army maintained is responsible for other incidental expenses than mere pay and messing allowance. One of the things we have to pay is the passage money, and incidentally, along with it, the pay during the voyage. On an actuarial basis it was found that for the maintenance of an army of 60,000, only 8,479 men would be required each year. But the actual figures of men sent out to India during the four or five years of which I have the figures are much higher. In 1926, 12,190 men were sent out. In 1927, 15,798. During 1928, 14,322. And India had to make double payment for six weeks for all this personnel who were in transit. This is an extra expenditure which will be materially reduced if the Britisher is replaced by the Indian. Then the payment for the conveyance of troops from outside India to India and back was an item about which we used to have a great deal of complaint. We used to get a payment of £130,000 from the War Office in lieu of this expenditure. We fought to have it apportioned equally between the two countries. As a result of the Capitation Tribunal, the whole of this £130,000 has now disappeared. *We do not receive any payment on account of the conveyance of troops to and from England and other parts.*

Sir, the question may be asked, what is the necessity for maintaining such a huge army and for whom is it being maintained? The only answer which stares us in the face is that all these military preparations are to safeguard India from the Northern Bear. But I thought that Nature was on our side, that it had provided strong enough bulwarks in the shape of the frozen zones on the north-west of India, the impassable heights and other obstacles which go a long way towards making it impossible for an invader to enter. Though this bogey has been in existence for well nigh 50 years, it has never materialised. The only passage open to them was through a neighbouring country, but even that possibility is now very remote. We know the great change in the world's sentiment towards that country. No one is sympathetic to the order of things existing there. That is a material fact which ought to have been taken into consideration when laying down the strength of the army. I very much regret that the report of the Committee on the strength of the Army in India over which His Excellency the Commander-in-Chief presided never saw the light of day. If that report had been made available to us we would no doubt have learnt many things from it and ascertained the reasons for Government's maintaining this huge army in India. We do not wish to tie the hands of Government to any definite numbers. We therefore leave the decision in the hands of His Excellency and his advisers. But what we do wish to urge upon the Government of India and on His Majesty's Government in Great

Britain is that India is unable to pay this expenditure. It is beyond her means and unless something definite is done to relieve the pressure it will become too great for India to bear.

One word more and I will conclude. In regard to Mr. Chari's amendment on the Joint Parliamentary Committee Report debate with reference to the separation of Burma, I said that with Burma separated from us the eastern frontiers of India would be materially reduced, and there ought to be a reduction of at least a tenth part in the army consequent upon the separation of Burma. I do not like the idea that Indian armies should remain in service in Burma when she is separated, because if England wants to have control of this country, consequent on British soldier's employment, wherever the Indian army may be employed there India will also demand a measure of control. The first reason why England is not prepared to hand over control in the centre is that she has to maintain an army here. So, if an Indian army is to be maintained in Burma it is only reasonable that India should have a voice in affairs there. If India is to have no voice, I claim that there should be no Indian troops stationed there and only British and Burman troops should be employed, and to that extent there should be a reduction in the total strength of the army in India.

With these words, Sir, I support the Motion.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, the question now under discussion is of such importance that it is absolutely essential for every Member to consider it dispassionately and set aside all political considerations, because, whatever form of government we may have in this country it is most important that the efficiency of the army should remain intact. I have no doubt that His Excellency the Commander-in-Chief will give us credit for putting the Resolution in such a reasonable form that the Government should have no objection in accepting it. The Resolution lays down only one fundamental principle, and that is that Government accept the principle of Indianising the army. That is not a new principle. It was accepted by the Government a long time ago and what we are now asking the Government to do is to reiterate the principle which they have already accepted. Why the necessity has arisen for asking the Government to reassure us that they intend to carry out the principle which they have already accepted in regard to the Indianisation of the army is due to the indifference which the Government has shown in regard to the rate of Indianisation. Doubts have arisen in the minds of people whether it is intended to carry out the policy in right earnest or not. Fortunately I come from a part of the country which probably supplies the largest number of recruits in India. As a matter of fact in the small district of Jhelum which I have the honour to represent contains not less than 30,000 ex-soldiers who were demobilized after the Great War. Sir, the mere fact that 55 per cent. of the total male population in the district joined the army during the Great War is enough to show that it was really due to an instinct which the martial races in this country possess, and no further proof is required to show that India is competent to manage its own defence. The Resolution does not require the reduction of British troops straightaway. What we ask the Government to do is to reduce the number as rapidly as possible, replacing them, if necessary, by Indian troops. Then the question naturally arises, whether we Indians are capable of taking the defence of India entirely upon our own shoulders. Sir, instead of taking the time of the House in giving reasons, with your permission, I will just quote the opinion of Mr. J. H. Thomas, who presided over the Defence Sub-Committee of the first Round Table

[Raja Ghazanfar Ali Khan.]

Conference. In the course of discussion it was mentioned that Indians were capable of self-defence, the Chairman, Mr. Thomas, said :

" I do not want to hear a word about the competency, the qualification, or the desire of India to defend herself. All that may be taken for granted ".

This was the opinion expressed by the Chairman of this most important Committee called the Defence Committee. When it is admitted 12 NOON. that we are competent to supply any number of recruits for the army, is there any reason why a soldier, who costs us four times more than a soldier whom we can supply from our own country, should be kept in a poor country like India where there has been continuous criticism on the excessive army budget for the last so many years and the Government still insist that the budget cannot be reduced ? Then, Sir, in some quarters it is suggested that the treaties with some of the Indian States make it imperative on the British Government to maintain British soldiers in this country. That was a view which was expressed by Sir Leslie Scott while giving evidence before the Butler Committee. I am very glad, Sir, that this view was repudiated by such an eminent Maharaja as His Highness the Maharaja of Bikaner who possesses the qualities of both a politician and a soldier. In this very Committee, Sir, he said :

" We are very grateful to Sir Leslie Scott for the great efforts he made in putting forward the case of the States before the Butler Committee, but Sir Leslie, in his own personal capacity and in no way on instructions from us and at our desire, put forward the suggestion that British troops could never be withdrawn or dominion status granted because of the treaties with the States. That is a view to which I personally and many others of us do not subscribe ; we do not subscribe to that view because we do not want to stand in the way of the advance of our country, which is our Motherland, in these matters ".

After this statement from His Highness the Maharaja of Bikaner no doubt is left that it is not at the instance of the Indian States or in consideration of their treaties that Government consider it inexpedient to reduce the number of British soldiers. As a matter of fact, Sir, if we take into consideration the past history of various committees appointed for various purposes, it is a general belief which previously was confined to the higher circles alone but now everybody who reads papers possesses that whenever committees are appointed the question which they are asked to examine is generally shelved, and the best way of postponing a matter is to appoint a committee. Anybody who reads the proceedings of the Report of the Defence Sub-Committee will find that although they succeeded in producing a unanimous report there was a definite cleavage between two schools. Almost all the Indian members, whether representatives of the Indian States, the Princes themselves or the Liberals or anybody else, in one form or other pressed for the rapid Indianisation of the army. On the other hand, all the British representatives by hook or by crook tried to avoid laying down a definite proportion for Indianisation. That is a fundamental difference which runs throughout this report and in spite of that we find here a unanimous report. I was surprised to read, and I must confess that I did not know it before, that a Committee was appointed in 1922 at the time of Lord Reading when Sir Tej Bahadur Sapru and the late Sir Muhammad Shafi were Members of the Viceroy's Executive Council. This Committee's report unfortunately was never published and although I find at the end of this book some extracts from this report, still we cannot see the whole of it. Not only are we deprived of seeing this report, but even when the Sandhurst Committee was appointed this report was not placed before that Committee. The rate of Indianisation which was recommended by this Committee and which was accepted by the Government of India,

including His Excellency the Commander-in-Chief, was as follows. The total Indianisation was to be brought about within a period of 30 years by three different stages :

- (a) First period—1st to 14th year.
- (b) Second period—15th to 23rd year.
- (c) Third period—23rd to 30th year.

Now, that was the report submitted to the Government in 1922 and accepted by His Excellency the Commander-in-Chief and all the military authorities. In accordance with that report by 1952 the army in India should be thoroughly Indianised, including the rank and file. May I know, Sir, what was the use of appointing the Sandhurst Committee in 1928 and why this report was not supplied to the Sandhurst Committee ? Then what happened in this Round Table Conference was that they said that the question of reducing British troops was of such a technical nature that it was necessary to appoint an expert committee. When they were discussing this, the Indian members expressed an apprehension that the appointment of an expert committee may be indefinitely delayed. When this apprehension was expressed, the President, Mr. Thomas, again gave a definite assurance that they would make it clear in the report that this committee should be appointed without any loss of time. This happened in 1931. Four years have passed and I at least do not know whether the expert committee promised was appointed or not. Whenever there is a suggestion for the appointment of a committee on such important matters at least the public feel that the object is nothing else but to postpone the matter. As a matter of fact, Sir, what expert committee is required for this purpose ?

THE HONOURABLE THE PRESIDENT : You have said enough about these committees. Will you now speak on the Resolution ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : The Resolution is that the number of British soldiers should be substantially reduced. And I say that no committee is necessary to examine the contents of this Resolution, because it was admitted that Indian soldiers were as competent as British soldiers not only during the Great War when their fidelity was proved beyond any question when Muhammadan soldiers faced Turkey and remained faithful and loyal to their own country and to their own Government. Then, Sir, in 1919, when there were political disturbances on a very large scale it was mainly the Indian soldier who was employed to quell those disturbances. And is there a single instance when the fidelity of an Indian soldier was doubted ? Then came a third period when there were acute communal bickerings and fights. Then also it was the Indian soldier who was employed. Was any sign discovered in these Indian soldiers of communal feeling ? If on these occasions it was established beyond doubt that the Indian soldier can be relied upon under most trying circumstances, is it fair now, I ask, that the British soldiers should be kept in such large numbers simply because the efficiency of the army is supposed to be effected if their number is reduced ? Now I will conclude, Sir, with an earnest appeal to His Excellency the Commander-in-Chief to very kindly accept this Resolution or at least definitely tell us whether there is any chance of a reduction in the number of British troops, and if so, what is going to be the speed of Indianisation ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, I have fought for the Indianisation of the Indian Army from the very beginning of the present reforms. It was in

[Mr. Mohammad Yamin Khan.]

1923 that on my Resolution for Indianisation of the Indian Army the late Lord Rawlinson, the then Commander-in-Chief, made the announcement in the Assembly about eight units to be Indianised at once. When the acceptance came it came like a bolt from the blue as I have said and people were taken by surprise for they had never expected that announcement to come up so sharply and on that day. I have pressed ever since for rapid Indianisation of the Indian regiments and I have always confined myself to the Indian regiments only because I believe, Sir, that unless and until we have the Indian regiments Indianised altogether there is no use in pressing for the other part of the army. That, Sir, the Indianisation of the Indian regiments has been going on and I have fought year after year for the privileges of the Indian officers in the other House and to a certain extent with success. Last time too, Sir, at Simla I fought for the privileges of the Indian officers who are going to be recruited in future. I, Sir, wholeheartedly support all the compliments that have been paid to the Indian soldier and I am proud that my countrymen have fought so bravely and well on the battle fields of Europe, Palestine, Mesopotamia and other countries, and have justified their martial spirit in all places. The Indian soldier is second to none and I think, Sir, with the Indian soldier as far as he has been recruited and the discipline which he has obtained, that India can be proud of her soldiers for having demonstrated to the world their efficiency and their capability. There is not the slightest doubt that anybody can place upon the efficiency of the Indian soldier. All we Indians aspire that soon we may have the whole army Indianised and we may be given the full opportunity to defend our own country rather than be dependent on troops which come from outside. When our forefathers could manage our own country, when they could be generals, field marshals and attain the highest ranks in the army, there is no reason why their descendants should now be deprived of those opportunities, and history, Sir, tells us that we may well be proud of our ancestors. We are proud of their martial spirit and of the great deeds which they did in the past and therefore, Sir, we claim that opportunity must be given to us in the future to demonstrate the blood which we have got in us.

That is one aspect, Sir, but here where I am confined to the Resolution which we have got before us today, I quite agree with my friend, Mr. Mehrotra, that from the financial aspect India is a poor country and India cannot afford to pay highly for the army. This financial aspect of his is perhaps to a great extent sound. India cannot afford at present to pay Rs. 850 a year for one soldier when they can easily get him for Rs. 285. From the political aspect too, Sir, he is right in saying that we may not be told in future that we are incapable of defending our country so that our progress may be retarded. That also is a sound proposition. But there is, Sir, a third aspect which my friend has not touched upon. That is, to counterbalance these two aspects, we have the efficient defence of the country and tranquillity and peace inside the country also. We who are living in times of peace and security today, we should not ignore those times when India was in a state of turmoil. We should not ignore the period of a whole century, from 1707 up to 1806, when the Mahratta armies were roaming the land, and denuding it of all its wealth of standing crops like an insect pest or a flight of locusts that passes through one's field, and village after village was wiped out and shorn of its prosperity, and cities were burnt and people were butchered and dishonoured and India could do nothing to check the devastation. And these things were done not by foreigners but by Indians themselves. And if we are asked to revert to those conditions, shall we be prepared to go back merely for the

sake of having a purely Indian army. I say, Sir, most of the people will say, "No". It is true that that tranquillity and peace was purchased at a high price—at the price of becoming a subordinate nation. But at least we know that our houses are safe. At least we find that the cities cannot be burnt by roaming bands of adventurers. We find that our trade and commerce has been established, our homes and hearths are safe. It is true it is at the heavy price of becoming a subordinate nation, but can we seriously think that we can do away with the people who have restored India and brought her to her present state of prosperity and security? I quite agree, Sir, that the Indian soldier deserves to be thoroughly relied upon. The Indian soldier has demonstrated his faithfulness on many battlefields. An illustration was given just now by my Honourable friend Raja Ghazanfar Ali Khan, that the highest test which could be put on the faithfulness of the Army was put when the Indian Mussalman soldiers were sent to Syria, Palestine, Hedjaz and Mesopotamia to fight against their religious head as the Sultan of Turkey claimed and stood at that time in the eyes of the Mussalman world. That was the highest test that the soldier stood for his country and King more than for his religious sentiments. Therefore, Sir, I think that while the Indian soldiers could be relied upon—and should be relied upon—this is the most inopportune time to come forward with a Resolution like this. This Resolution comes up to make a demand at a time when the constitution is in the melting pot and when our enemies in England,—the people who are not in favour of giving any progress to the country,—this demand from a House like this will give a weapon in their hands to say that India is going to demand these things in the future if power is placed in their hands.

THE HONOURABLE MR. P. C. D. CHARI : Let them understand it.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : They may understand it or may not. There is a Persian proverb which goes :

"Dana dushman beh ze nadan dost",

which means that a wise enemy is better than a foolish friend. In my opinion, Sir, there can be nothing more inopportune than to press a Resolution of this kind at the present moment. I do not agree with my friend the Honourable Mr. Hossain Imam that the British soldier takes away the money. I think that all the money that is given to a British tommy is spent in India, and the wealth does not get out of India at all, so that—

THE HONOURABLE MR. P. C. D. CHARI : Even the passage money?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : The passage money may be a different thing. But whatever is given to the British tommy I think that when he leaves the Indian shores, he goes without a penny in his pocket, and all the money is spent in India.

THE HONOURABLE MR. HOSSAIN IMAM : What about the health insurance and the unemployment insurance that we pay for him?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I will deal with these questions separately. I am now saying that whatever is given to the British tommy, that is spent here. That is my point.

THE HONOURABLE KHWAJA HABIBULLAH OF DACCA (Bengal : Nominated Non-Official) : It is given to him when he leaves. My friend is making a mistake.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : The other point is, if this Resolution had been worded that a substantive share of the British soldiers' pay should be borne by England when these soldiers are stationed in India, I would have wholeheartedly supported it.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Ballot a Resolution for that.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : My friend ought not to have asked for a reduction of the British soldiers in India, because I think it is a great necessity at the present moment to keep up the strength of the British soldiers in India for the safety and tranquillity of India. What we want is not a reduction in the number of soldiers but that a substantive share of the cost of British soldiers, while they are stationed in India, should be borne by England, because, after all, the British soldier is not a permanent soldier of India. He comes like a migratory bird for a few years. They are stationed in India for a certain period and then they are taken away. The British soldier comes here not with the idea of serving India, but with an idea of serving his own country.

THE HONOURABLE MR. P. C. D. CHARI : They get training at the expense of India.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I want that the British soldiers, when they come to serve India, must feel that they are Indian soldiers. They should feel that they remain here for the safety and prosperity of India and they must be loyal to India. We find that this idea is engendered in the minds of many of the civilians and other officers who spend a large portion of their life in this country. They become attached to India. They begin to think of India as their second home. They would much rather prefer to settle down in India and not go back to England if the rules permitted. In the same way, I want the British soldier to get those feelings. Unless and until the British soldier gets those feelings, a share of the British army which is stationed in India should be borne by England, because, after all, they are British soldiers, and the case is very well met by our saying that we should not spend more than what we can afford. It is not reduction in number, but reduction in the expenditure per head that we want. Sir, that would have met with some kind of support, but the present Resolution cannot find that support.

THE HONOURABLE THE PRESIDENT : Your time is up.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : One minute Sir. One remark which has been made by one of my friends here I do not agree with. My friend Mr. Hossain Imam said that at present the recruiting ground is only the North-West Frontier Province—

THE HONOURABLE MR. HOSSAIN IMAM : I said "the north-west corner of India".

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : The corner in the north-west of India. Sir, I do not agree with my Honourable friend. There are regiments from other places too. They are recruited all over India. I am proud to say that during the war it was my district in the United Provinces that supplied the highest number of recruits. We won a shield for recruitment in the Meerut district. We have got a large number of troops in the United Provinces. In the Central Provinces, Sir, as you are aware, the Mahrattas are being recruited, and I would ask His Excellency not to be influenced by these remarks in any manner but to recruit the people who are best fitted for the military, and only those classes of whom India can be proud. We do not want men who might bring discredit to India. I think that this Resolution is inopportune. It would have been better if the Honourable mover had asked for a substantive reduction in India's share of the cost.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Mr. President, I could not have seen my way to support the Resolution as it was originally worded, nor the amendment of my friend the Honourable Mr. Hossain Imam. But I wholeheartedly support the Resolution as modified and as it has now been put before the House, namely, that the number of British troops might be substantially reduced. Mr. President, the British troops in India, we are told are for the purpose of external defence and internal security and also for, what is not equally well admitted, for imperial purposes. 60,000 is the number which the original Resolution mentioned as the strength of the British Army in India but if I remember aright, His Excellency the Commander-in-Chief, some time back gave the number as somewhere between 55,000 and 60,000. What exactly it is today, I am sure when he rises to address us he will let us know. But it will be better still if His Excellency can be persuaded to inform us what has been the rate of decrease in the number of British troops in India during the last 10 years, which would give us an index as to what to expect for the future. Dominion status is the goal of India. As we all know, we can not expect dominion status so long as defence is not in our hands. It is for that reason, that we are aspiring to have defence in our hands at as early a date as possible. His Excellency this morning gave the cost of the British soldier in India at Rs. 850 per annum and of the Indian soldier as Rs. 285. That is a ratio of 1 to 3. My recollection is that some years ago figures were given which showed that the Indian soldier cost only one-fourth of what the British soldier cost. It may be therefore that some items of expenditure, such as those which were referred to by the Honourable Mr. Hossain Imam, have been left out in the calculations to which His Excellency referred this morning, as, for example, the cost of transport backwards and forwards, extra pay, etc.

Now, Sir, a reference was made to the different military committees that were appointed at different times. I happened to be a member of the Skeen Committee. The members were all Indians with the exception of two, the late Sir Andrew Skeen and Sir Ernest Burdon, and our very efficient Secretary Colonel Lumby. Sir Andrew Skeen was undoubtedly a great Englishman and a great soldier, and every member who was his colleague in the Skeen Committee regrets his premature death a week ago. He lived respected and died regretted. Sir Andrew Skeen and Mr. Burdon (as he then was) held out two bogeys to the Indian members. The first was that the speed of Indianisation of the army could not be accelerated beyond the rate at which it was then carried on, and the second was in regard to restricting the military services to what they called the martial classes alone. The Indian

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members could not endorse their views. I am glad to say that in the end we were able to convert our British colleagues to our view for, as the House will remember, we were able to present an unanimous report to Government. It is a matter of regret to the members of that Committee and the country that its recommendations, which were made more than eight years ago, were not given effect to. Had effect been given to them, by now Indianisation would have proceeded much faster and there would not have been that discontent on this question as certainly exists. The matter was again taken up in the Defence Sub-Committee of the first Round Table Conference, over which the present Colonial Secretary Mr. J. H. Thomas presided. Mr. Thomas asked us to postpone further discussion because Government were appointing another Committee. That Committee was presided over by our present Commander-in-Chief, His Excellency Field Marshal Sir Philip Chetwode. All questions were to be referred to that Committee, but it was later a matter of very keen disappointment to the members of subsequent Round Table Conferences that the main question, namely, the rate at which Indians were to be trained for officers' rank was deliberately fixed by Government, as His Excellency then informed the Committee, in spite of the assurance that Mr. Thomas had given us that it would be open to the Committee to discuss all matters in whatever manner they decided to do so. I believe that the number fixed by Government, as conveyed through His Excellency, was 60 per annum. That as I say was a matter of keen disappointment to the members of the Round Table Conferences as also to the Indian public. Another fact which nobody knew then was brought out by Sir Tej Bahadur Sapru and the late Sir Muhammad Shafi. It is well known that Members of the Executive Council even after they retire from the Council are pledged to secrecy in regard to everything that happened during their tenure of office. Both these gentlemen were in a great fix, because they wanted to inform the Defence Committee as to what had actually happened during Lord Reading's administration in regard to Indianisation of the army. They therefore approached the higher authorities and with their permission gave us facts and figures which were a revelation to us. As the Honourable Raja Ghazanfar Ali Khan has informed the House, not even the Sken Committee was informed that the Government of India had considered the question in the time of Lord Reading when the late Lord Rawlinson was the Commander-in-Chief. Lord Rawlinson prepared a scheme according to which the whole Indian army could be Indianised in the space of 42 years. The Indian Members of the Council would not accept that figure. They asked Lord Rawlinson to reconsider, and after mature consideration he submitted a report according to which the Indian army could be fully Indianised within the space of 30 years. Have conditions in India changed so greatly since the days of Lord Reading and of the late Lord Rawlinson that 30 years are not now regarded as a possibility? The Sken Committee made recommendations according to which in the space of 25 years half the total cadre of officers could be Indianised and in another 25 years every officer in the Indian Army could be an Indian. But that as I say was knocked on the head and no effect given to their recommendations. At the rate we are progressing, we want His Excellency to inform us if he thinks that even 50 years from today the Indian Army, officers and men, will be fully Indianised? We shall feel grateful to him if he does answer that question.

These are some of the facts relating to these respective committees. I do not think the Indian public is at all satisfied at the rate of progress that has been made so far as Indianising the army is concerned. We quite realise that circumstanced as we are at the moment, the presence of the British Army

is necessary. It is also necessary, however, as I believe His Excellency has himself admitted before now, that its strength should be gradually reduced. I therefore respectfully appeal to him to let us know at what rate it has decreased in the last 10 years and at what rate he expects it will decrease in the next 10 years, and also His Excellency's opinion as to when he thinks the whole army will be completely Indianised?

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I think there is little left for me to say after the case has been so ably handled by the Honourable Raja Ghazanfar Ali Khan. I am induced to take part in this debate on account of certain remarks made by my Honourable friend Mr. Yamin Khan. He raised the constitutional point that we should not demand a decrease in the number of British soldiers when the constitution is in the melting pot. I am sorry I have to differ from him. We on this side of the House think that it is our duty to tell the British Government and British statesmen in unequivocal terms that we Indians, amongst whom they have raised very strong hopes about the defence of India, do realise our position and do earnestly think that it is our concern to manage the defence of India. This fact, Sir, has been admitted not only by British experts—I mean military experts,—not only by British statesmen, but we find reference to this fact in the Joint Parliamentary Committee's Report. If we have to manage dominion status, if we have to manage our own affairs and if we have to look after the defence of India, the army must be Indianised as soon as possible and the highest authorities in England must know what the desire of Indians is. Therefore, Sir, I think this is the most appropriate occasion on which we could give vent to our desire. My Honourable friend Mr. Yamin Khan has referred to the period before 1806. I wish he had considered twice before making these remarks about the conditions obtaining in that period. I think further, Sir, that he has done great injustice to the Britishers in India in making those remarks. After British rule of over 150 years in India if—

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Where was 450 years?

THE HONOURABLE MR. V. V. KALIKAR : I said 150 years. If after a period of over 150 years of British rule in India we are not in a position to think that peace and tranquillity will exist in India, then certainly we are doing injustice to the Britishers. I am very glad and I am very proud to hear from the lips of my Honourable friend that the Indian soldier has proved the test of fidelity during the last war, that the Indian soldier was found quite equal in bravery, in gallantry and other things with British soldiers, and still, Sir, I am really surprised to find that he is against this proposition to reduce the strength of the British Army in India. He agrees with my friend Mr. Mehrotra that the financial condition of India is such that India cannot afford to maintain such a large army at such a heavy cost.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Not a heavy army, but a heavily paid army.

THE HONOURABLE MR. V. V. KALIKAR : If you agree with that proposition, the natural conclusion is that you have to agree to the proposition sponsored by my friend Mr. Mehrotra about reducing the strength of the army. I am with you on the point that the efficiency of the army should not be impaired. But as my friend has admitted that the efficiency of the Indian soldier has been tested fully and found quite satisfactory, I see no

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ground for the view that he holds that the strength should not be reduced. Sir, Indian soldiers are recruited, as we were informed, from certain parts of India, especially from the north-west part. My Honourable friend Raja Ghazanfar Ali Khan told us that in the district from which he comes—the Jhelum district—55 per cent. of the male population are disbanded soldiers. If that information is correct—and I think it is perfectly correct—I see no ground to say that we will not find the necessary efficient element for recruitment in the Indian Army. If that is the position, then it is for the British authorities to take into consideration the claims of Indians to increase their number in the Indian Army and to train them in the art of management of the defence of India and further to give employment to some of those martial classes, so that they may also take a proper share in the art of defence of India. I therefore, Sir, heartily support the Resolution moved by my Honourable friend Mr. Mehrotra.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I confess that I am a little bit disappointed in some ways that two amendments to the original Resolution were withdrawn. I was naturally very anxious to hear what the Honourable mover had to say and how he proposed to justify the original enormous demand for reduction he put down on the Order Paper. I was equally intrigued to know why my friends Mr. Hossain Imam and Raja Ghazanfar Ali Khan had chosen to modify the original proposal so very greatly in their amendments and I am still left guessing unless the reason is because of a remark which fell from Sir Phiroze Sethna that he had told them that possibly it was rather ridiculous to put such a very fierce figure before the House.

Before I go to my main argument, I will answer one or two points put by various speakers. The Honourable mover reiterated, and so did other speakers, the gallantry of the Indian troops and how they had proved themselves in many wars, and notably in the last one. I really cannot see why anyone in this House should take the trouble to reiterate that statement. It is a statement which we, British, most fully subscribe to in all seriousness. The gallantry of the Indian troops is without question and the relations between them and their British comrades are those of mutual respect and mutual admiration and understanding. But as regards the argument for further Indianisation, it is not quite so strong as some Honourable Members seem to think, because one has to remind them that when they performed these acts of gallantry, which they have on so many occasions, they have been led by British officers and in most cases the now accepted proportion of British to Indian troops has actually been the proportion when those battles took place in which they behaved so well. Another point of the Honourable mover which I must question is the way in which he brought out that old argument of comparing India with the other Dominions. It is an argument that I never can see the force of at all. There is no other Dominion in the British Empire that is exposed to either the internal or the external dangers to which the Indian Empire is. He also instanced the enormous cost that the Indian nation are put to on account of their army and he quoted at great length from that little pamphlet that we issued last session, and in turn I will quote a few figures from it as to the comparative cost of the Dominions and India of their defence:

“The incidence of the defence expenditure in India is Rs. 1-8-0 per head of the population. In England it is Rs. 30, in the Dominions between Rs. 3-8-0 and Rs. 8; in France Rs. 29; in the United States of America Rs. 18-8-0 and in Japan Rs. 6-8-0”.

The Honourable mover also touched upon a question which I do not propose to enter into at all and that was the question as to why we cannot employ the strength of the air more than we do in comparison with ground troops. That is a very highly technical question which it would not befit me at all to enter into any discussion on here. It is even now under discussion every day. I would only say one thing to the Honourable Member. If he considers we should so largely increase the proportion of our air forces to that of our ground forces, why should we be the only nation to do it? Other nations still retain practically the same or more ground troops than they did before the war and they are in much graver danger of war, many of them, than we are.

The Honourable Mr. Hossain Imam again raised the old bogey that the strength of the army in India, the purposes for which it is kept and the scale of equipment is dictated by His Majesty's Government, and especially by the Committee of Imperial Defence and the War Office. I do beg him to believe my reiterated denial of that statement. I have, not once or twice but many times during my tenure of the office of Commander-in-Chief, refused to ask India to spend money on equipment which I did not consider was absolutely necessary for the purposes of India itself. Naturally His Majesty's Government take the advice of the Imperial Defence Committee because it is the highest technical committee in the Empire and advises on all parts of that Empire, but the Committee or the War Office do not dictate to us.

Now, I must say I still would like to know why those amendments were withdrawn? Was it because the Honourable Mr. Hossain Imam thought that the sweet reasonableness of a less demand would appeal to the most Die-hard member of the British Government or the present Satanic Government in India, or what was the motive?

The Honourable mover is a whole-hogger, I am afraid. He would like us to say: “Split the army in two, remove the backbone from the army and it will function somehow. At least it is not my business to run the army and someone will have to make it do without a backbone. Let us destroy the proportion of British troops to Indian which has functioned so extraordinarily well for so many years past and has stood the test of time and war. Let us destroy that. Let us destroy it long before any efficient substitute is ready to take its place”.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: On a point of order, Sir. Is the Honourable Member entitled to discuss a Resolution or amendment which has not been moved or is the discussion to be confined only to the wording of the Resolution which is before the House?

THE HONOURABLE THE PRESIDENT: He is entitled to refer to amendments which have been withdrawn in the Council Chamber.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: He would say to himself: “Never mind what the administrative impossibilities or difficulties are. It has always been a good stick to beat the Government with and let us beat them with it again”. I cannot believe that in a Resolution so drastic as he intended to move at first there was any thought of the safety, honour and welfare of this country. It is merely the stick which is always a popular stick to beat the Government with.

But I must say that the person who I have been most surprised at among those who have spoken this morning is my Honourable friend, Raja Ghazanfar

[His Excellency the Commander-in-Chief.]

Ali Khan. Why do I find him of all people in this *galère*. He comes from a part of the country where we get most of our soldiers from, from among the fighting races. And those people know only too well—and he knows only too well—how splendidly that proportion has succeeded and been found useful in old days and up to the very last in the Great War. Why does he try to induce me to recommend to the Government to reduce that proportion? When he knows how dangerous it is to tamper suddenly with the composition of an army.

Now, Sir, naturally if it is the wish of the Opposition the opinions that have been put forward in this debate will be forwarded to the Government and, if they wish so, to His Majesty's Government at home, but I would remind the House that the form in which the Resolution was put, that is to say, recommending to the Governor General in Council that he would substantially reduce the proportion of British troops in India, cannot be accepted because it is not possible for His Excellency the Governor General to take such action. His Excellency the Governor General may recommend to His Majesty's Government that such a thing may take place, but I would remind the House that the proportion of British troops to Indian troops has only very recently indeed been laid down by His Majesty's Government and approved by the Government of India. It has been discussed repeatedly and on many committees referred to in this debate and the proportion now is the result first of all of the recommendation of the Services Committee of the Round Table Conference, who recommended that an expert inquiry should be held. That expert inquiry was held. The result of that expert inquiry was sent home and considered most carefully by the Committee of Imperial Defence who made their recommendations to His Majesty's Government who sent them out for the views of the Government of India. Both Governments agreed upon them and that fixed the proportion of British to Indian troops in India during the transition period between what exists now and the further Indianisation of the army in India.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: What is that ratio?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The ratio is 3 to 1 in brigades when we go to war.

THE HONOURABLE SIR PHIROZE SETHNA: And for what fixed period?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: There is no fixed period. No period has been fixed or can be fixed. Surely, the Honourable Sir Phiroze Sethna would not like any man who has the burden of the defence of India on his shoulders as I have, to say definitely that an experiment of such magnitude and importance and one might say danger of going wrong as Indianisation could possibly be carried out in a fixed period.

THE HONOURABLE SIR PHIROZE SETHNA: That puts an end to Indianisation!

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I deny absolutely that it does anything of the sort. On the contrary, during my period of office I have increased Indianisation from eight units to 15 as the Honourable Member knows very well and I have said more than once from my place in

this House that when these young men, the officers who have now been drafted into the Indian Army, have had 14 years' service and are company commanders, then will be the time to see whether we can increase the speed of Indianisation because by that time they will have proved themselves or not. How can we prove a young man when he has only had seven or eight years' service and say he is fit to take charge of men and teach them in peace and lead them in war?

I am sure the House will not accuse me of not having the fullest sympathy in this matter. I have always said that it is I believe the right line to go on that the army in India should be gradually Indianised. (Applause.) I have always said it and I repeat it again. And I have always said the army budget as I found it when I first took over my office was too high and I would remind the House that just after the war the army budget was Rs. 60 crores, that it was Rs. 55 crores when I took it over, and I have reduced it by Rs. 9 crores in my short four years period of office. I have actually doubled the rate of Indianisation. I do not honestly think, Sir, that anybody can accuse me of not doing my best to fulfil the aspirations of Indians.

THE HONOURABLE MR. P. C. D. CHARI: May I ask one question?
1 P.M. In what proportion were the Indian army sent to the war?
The proportion of Indian troops to British ranks?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I could not possibly tell you off-hand. You mean, how many Indian troops fought in the war and how many British?

THE HONOURABLE MR. P. C. D. CHARI: The proportion in which they were sent to the field—the proportion in which they fought?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The exact proportion? I think whenever it was possible a brigade of troops consisted of one battalion of British and three of Indians, and it always has been.

Honourable Members have referred again to the possible reduction in the cost of defence in India to the pre-war figure. I really hardly think it worth while countering that argument. You might just as well say that the British Army in England which now consists of less men than it did in 1914 should cost the same. It actually cost £29 million before the war which included the Air Force of that day, and it now costs over £40 millions and I believe it is going to be £42 millions this year, or something like that. How then is it possible to go back to the pre-war figure of Rs. 29 crores for the Indian Army? You might just as well say that you should pay the same for your own clothes or your own household expenses. It was also mentioned during the debate—I think by the Honourable Sir Phiroze Sethna—that he thought that the cost of an Indian soldier was considerably less than the Rs. 280 that we quoted this morning.

THE HONOURABLE SIR PHIROZE SETHNA: I said my recollection was that the cost of an Indian soldier to that of a British soldier was 1 to 4. That the British soldier cost some years ago Rs. 1,000 or more, and not Rs. 850. If he costs less today there must be some reason for the figure you gave this morning.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I thought the Honourable Member suggested that in previous times the Indian soldier cost less than he does now.

THE HONOURABLE SIR PHIROZE SETHNA: I did not say so.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I beg the Honourable Member's pardon. I have really nothing more to say. I have exhausted all my arguments. It is not in the power of the Government of India to recommend to His Majesty's Government that either the rate of Indianisation should be increased or the proportion of British troops to Indian troops in India be reduced within such a very short time after so important and momentous a decision was come to by both the Governments.

THE HONOURABLE MR. HOSSAIN IMAM: May we ask His Excellency whether the Report of the Expert Committee over which he presided will be made available to Members of the Legislature?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No. It will not, any more than the report, which the Honourable Member quoted, of the so-called Rawlinson Committee will be made public. It is a very confidential document, and so was the Rawlinson Committee Report, and the Rawlinson Committee Report was not made public by a request of the Indian members themselves who pressed it should not be.

THE HONOURABLE SIR PHIROZE SETHNA: The Indian members did not say so at the first Round Table Conference. They were Sir Tej Bahadur Sapru and the late Sir Muhammad Shafi. They wanted to make it public and they have succeeded in doing so.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: All I can say is, Sir, that—I forget whether it was in the covering letter or whatever it was which forwarded the report to the Government—the members declared that they considered that it should never—I remember the word “never”—be made public. Perhaps the Honourable Member is referring to the Shea Committee?

(The Honourable Mr. P. N. Sapru then rose in his place.)

THE HONOURABLE THE PRESIDENT: The question has been thoroughly threshed out. Do you think it necessary to speak after His Excellency the Commander-in-Chief?

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): I will take only about five minutes, Sir. I will not take more than five minutes. The Honourable Mr. Yamin Khan has given us the history of the great services which he has rendered to the cause of Indianisation in this country! I think we should vote a vote of gratitude for all those services and also his reading of Indian History between 1707 and 1806! He forgot one thing, and that was that the ratio of British troops to Indian troops during this period, that is, between 1707 and 1806, was 5 to 1. If I wanted to know what Indian History was, I would go to an earlier period, the glorious period of the Moghul Empire, not the period of the decay of the Moghul Empire, a decay to which the East India Company also contributed a very great deal. I suppose he is also grateful to the East India Company for what they did during that period? Coming now from Mr. Yamin Khan

to the Resolution itself, I should like just to emphasise one point, and that is, that before the Mutiny, the ratio of British troops to Indian troops was 5 to 1. The present ratio was fixed in 1859. The Commission of 1859 and the Commission of 1879 considered this question and the present ratio was fixed after the Mutiny. The main reason for that ratio—and I put it in the most direct manner possible—is *political and not merely military*. The policy is based upon a distrust of Indian capacity, Indian loyalty and Indian patriotism, and that is really what we object to. Therefore, Sir, at the first Round Table Conference, the Indian delegates were very emphatic that there should be a reduction of British troops. What was the result? The Defence Sub-Committee recognised the great importance attached by Indian thought to the reduction of the number of British troops in India to the lowest possible figure and considered that the question should form the subject of early expert investigation. Now, Sir, the matter has been investigated, but on that Expert Committee, Indians were not appointed. I believe you could have got some Indians from Indian States who have had experience of army administration to serve on this Committee. We know nothing about this Committee. The proceedings were confidential. The report of this Committee is confidential. But we know this, that the British delegates at the conference recognised the great importance which Indian thought attaches to the reduction of British troops. We also know this, that the Defence Sub-Committee recognised that with the development of a new political structure in India, the defence of India must to an increasing extent be the concern of the Indian people, and not of the British Government alone. We want therefore to know whether you have observed in letter and in spirit the recommendation of a Conference Sub-Committee to which you were parties, and whether you have given effect to these recommendations or not? If you have not given effect to these recommendations, then we are entitled to say that we are not satisfied with what you have done; we were not parties to the decisions arrived at, and that we will go on pressing our demand for the substantial reduction of British troops, at a very early date.

Sir, as I have given you an undertaking that I will not speak for more than five minutes, I shall not say more. I should have liked to say much more on this subject, because I think one could show that it is possible to have a planned effort at Indianisation. Major Attlee and the Labour Delegation have said that you can Indianise the Indian Army in 30 years. It is their definite suggestion in their memorandum. Modern countries have shown what planning is capable of. You can change the whole face of a country by planned effort. Modern countries have shown that you can do that. It is no use saying that you cannot have planned effort. Well, you are moving at such a snail's pace that we cannot be satisfied with it. Sir, the country is *hungering* after freedom. It cannot wait till eternity for freedom. Therefore I want to say with all the emphasis of which I am capable that there ought to be a change of policy in this respect. As I wish to stick to my promise, I resume my seat.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I have listened to the reply of His Excellency the Commander-in-Chief with all the attention that it deserved. I am very thankful that he was very moderate in his reply. His Excellency was much worried as to why the Resolution was altered and moved in another shape in the House today. I may inform His Excellency that when I came here and had a talk with different groups I found that the Resolution would be more acceptable to them if it was worded as it was eventually moved. It was for that reason that the Resolution was

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

moved in an amended form. Personally I am of opinion that this large reduction can be made, and I pointedly referred in my speech to the fact that during the Great War less than 15,000 British troops were left in India. I asked His Excellency whether that had involved taking a risk, and, if so, why the Government took that step and reduced the strength of British troops from 60,000 to less than 15,000? And, Sir, at that time we were facing dangers from all sides, while today every nation is sick of war and is seeking to establish peace permanently. Therefore, since the danger is so much less now I cannot see why the British Army in India cannot be substantially reduced? There is a further reason, as I said in my speech, that then we had no fleet of aeroplanes here which we have today—102 in all. These do greatly help on the frontiers. If there is any danger to India it is on the frontiers. Besides that, we have now formed a navy and therefore we are also secured on that side. Considering all these developments, I think if it was possible to carry on with 15,000 men at that time it must surely be possible to carry on with 30,000 at the present time.

Then I am glad to hear from His Excellency that the proportion of Indian to British troops has now been changed from 2 to 1 to 3 to 1. I quite appreciate the change which he has announced, but I would urge with all the emphasis I can command, that it is not quite sufficient. When the ratio before the Mutiny was 1 to 5 why should it not be the same today after a sound training of about 75 years? It is no credit to British training to say that that ratio cannot be attained after so long a period of training and after so many trials in different wars outside India. Therefore I would request that if His Excellency is pleased to recommend to His Majesty's Government that the ratio should now be 5 to 1 instead of 3 to 1, we on this side of the House will be satisfied with the progress of Indianisation and would like to withdraw the Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I am afraid I cannot accept the proposal of the Honourable mover. I would point out again that not one single argument has been used today that was not in every way and every time before the three Committees who decided on the proportion of British to Indian troops in this country. They were before the Select Committee, they were before the Expert Committee, they were before the Imperial Defence Committee and the Garran Tribunal and before both Governments, and no new argument has been produced today that will in any way alter their opinion, I feel quite sure.

There is only one other point I would like to allude to and that was the Honourable mover's suggestion that because during the war we left only 15,000 British troops here that is an argument for taking the same risk again. I do not deny that we took a very grave risk in doing so. We had no idea at the time what would happen, but we had our backs against the wall and we were fighting for our lives, and we trusted at the time, as we had always trusted before, in the loyalty of India, and she did not fail.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council to reduce substantially the strength of British soldiers in India".

The Question is:

"That this Resolution be adopted."

The Council divided:

AYES—15.

Barua, The Honourable Srijiit Heramba Prosad.
Chari, The Honourable Mr. P. C. D.
Devadoss, The Honourable Sir David.
Ghazanfar Ali Khan, The Honourable Raja.
Halim, The Honourable Khan Bahadur Hatiz Muhammad.
Hossain Imam, The Honourable Mr.
Kalikar, The Honourable Mr. V. V.
Khaparde, The Honourable Mr. G. S.

Kidwai, The Honourable Shaikh Mushir Hosain.
Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Mitha, The Honourable Sir Suleman Cassim Haji.
Naidu, The Honourable Mr. Y. Ranganayakalu.
Sapru, The Honourable Mr. P. N.
Sethna, The Honourable Sir Phiroze.

NOES—26.

Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the.
Ghosal, The Honourable Mr. Jyotsnath.
Gladstone, The Honourable Mr. S. D.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Johnson, The Honourable Mr. J. N. G.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.

Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Philip, The Honourable Mr. C. L.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council reassembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

RESOLUTION RE GOVERNMENT OF INDIA AND STATE RAILWAY PRESSES.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Sir, I beg to move the following Resolution which stands in my name:

"That this Council recommends to the Governor General in Council that a mixed committee of officials and non-officials be appointed to enquire into the working of the Government of India Presses and State Railway Presses with special reference to:

- (i) the amount and nature of work done;
- (ii) the working conditions prevailing in these presses;
- (iii) leave, holidays, pay and pensions granted to the workers; and
- (iv) how far the printing machinery introduced in the presses during the last 15 years has effected the workers in regard to the number employed and their earnings."

[Mr. Mahmood Suhrawardy.]

Sir, the proper treatment of labour in industry has been one of the most serious concerns of all Governments. The Government of India have been giving some thought to this important matter, as would appear from some of the recent legislation piloted by them though the Legislatures with a view to make the lot of our ill-paid and ill-treated workers a little better, a little more bearable. Like all progressive Governments they have also been, for some time now, giving more attention to the observance of factory laws with a view to improving the conditions of working in the factories and provide other necessary amenities calculated to keep the fund of human energy and efficiency materially unimpaired.

Unfortunately, however, this alertness of the Government for securing humane conditions of work and fair treatment to labour often seems to suffer a peculiar change when it comes to the question of securing similar amenities to those who work directly under the Government. The cases of the workers of the Government of India Presses and State Railway Presses at Calcutta may be cited as instances in point.

Sir, I was originally thinking of bringing the matter of the Government of India Presses only for discussion. But on subsequent thought I decided to include the matter of the State Railway presses also. Workers of both the presses have a long list of grievances—though of quite a different nature. Last year the grievances of the workers of the State Railway Presses were discussed in the Assembly and the Honourable the Railway Member was kind enough to agree to enquire into the matter; and an official enquiry committee was set up to conduct an enquiry. But unfortunately the unfortunate workers were not allowed by the Agent of the East Indian Railway to represent their case before the Committee through the representatives of their own choice. They made several representations signed by almost all the workers that the secretary of their union—a registered body under the Trades Union Acts, assisted by some of the workers themselves, be permitted to explain their case to the Committee. This prayer was made not in the spirit of opposition but as was pointed out in those petitions that as the secretary made a special study of questions affecting them and as they are complicated ones he may be permitted to explain their case and it was also pointed out that if the gentleman in question was not allowed as a secretary of any union then he might be permitted to appear as an advocate which he is,—but this humble prayer was refused. And even when Mr. S. C. Mitra, an ex-M. L. A., who took up their cause in the Assembly and at whose instance the enquiry was instituted, went to represent their case to the Agent at the request of my Honourable friend Sir Guthrie Russell, he was plainly told by the Agent that the enquiry had been finished ex-parte and there was no use of his explaining the case. This is how the enquiry ended. My Honourable friend Sir Guthrie Russell, kind and considerate as he is, knows everything—except perhaps the important things—the real grievances of the workers which remained hidden beneath the white-washing done by the Agent's Committee. But my Honourable friend of the Treasury bench can know them if he cares to do so. The workers themselves submitted a long memorandum to the Railway Board cataloguing their grievances. Sir, the Honourable Member in charge of Railways did promise last year to enquire into the matter—and I hope that the Honourable Member did mean a real enquiry at that time and not a sham enquiry,—a white-washing enquiry as has been done by the Agent.

Now, Sir, regarding the Government of India Presses. The Government of India own five printing presses, two in Calcutta (the Central and Forms

Presses) and one each in Delhi, Simla, and Aligarh. The labour employed in these factories may be designated under two broad categories, viz., (i) salaried hands and (ii) piece-workers, accordingly as they are paid on the monthly system or by the piece-rate for the work done. The total number of workers in all these printing presses would be about 2,200 of which 1,600 are salaried hands and 600 piece-workers. An invidious distinction is made between salaried hands and piece-workers regarding leave, holidays and some other matters and the salaried hands enjoy better privileges than those enjoyed by the piece-workers, e.g., piece-workers do not get any wages for the days during which the factory remains closed, for they work on the principle—no work no pay. But with salaried hands it is different. Then again, the salaried hands who are permanent superior industrial ones are entitled to get leave on average pay at the rate of one month's leave for every complete period of eleven months duty, whereas the permanent superior piece-workers get leave on average pay for 16 or 23 or 31 days according to their length of service being less than 10 years, or 10 years but less than 15 years, or 15 years and above respectively. Besides piece-workers as a rule do not get any casual leave.

Now, Sir, one important thing which I would like this House to take into consideration that this distinction between piece-workers and salaried hands is not based upon any difference of work which each class performs. The same class of workers is placed on the two different wage systems in different presses, e.g., binders of Calcutta are piece-workers whereas they are salaried hands in Delhi; then again compositors of Calcutta and Delhi are piece-workers, whereas they are salaried hands at Simla and Aligarh. There are other such instances. They are entitled to enjoy the privileges accordingly as they come under the category of salaried hands or piece-workers even though they perform the same nature of work.

Sir, the woes of the press-workers, especially those who are paid on the piece system are not altogether unknown to this House. The question was raised on several occasions on the floor of this House; and as early as the 29th September, 1921 this House accepted the Resolution of my friend, the Honourable Mr. Khaparde, for instituting an Enquiry Committee to go into their grievances and to suggest remedies. But unfortunately the Committee could not be unanimous in their recommendations and my friend, the Honourable Mr. Khaparde, who was one of the members of the Committee, had to differ from other members in respect of a very important matter, i.e., the abolition of the piece system.

However, Sir, as was natural the Government accepted the majority report and hoped that it would remove the grievances of the press workers. But, Sir, after the lapse of about 13 years during which the majority recommendations had ample time for experiment, I am, unfortunately, bound to say that they did not improve the lot of those unfortunate but loyal band of workers known as "piece-workers". Sir, much could be said for and against the piece system; to me it is an academical question. But to me what is important is this, the piece workers of the Government Presses are now finding that in spite of many pious wishes of the authorities, the piece system as obtains in the Government Presses is costing them dearly. Their earnings are gradually being decreased. In 1926 the Honourable Mr. Ley informed this House that the maximum earnings of a Calcutta compositor in 1925-26 was Rs. 122 per month. The Honourable Sir Frank Noyce stated in September, 1933 in the Assembly the said maximum earning had come down to Rs. 82 per month. In several replies to interpellations in the Assembly the Honourable

[Mr. Mahmood Subrawardy.]

Member in charge of Industries and Labour also admitted that the earnings of the piece-workers are actually decreasing (*vide* interpellation in the Assembly No. 283, dated the 11th December, 1933; No. 720, dated the 21st March, 1930; No. 720, dated the 20th September, 1933).

I know, Sir, that the Honourable Member opposite on the Treasury bench will try to put it across that if the outturn of the piece-workers remained unaltered their earnings would also remain unaltered. But, Sir, I may inform the House, that the peculiar design of the piece system of work is hedged in with such fine complications that outturn seldom indicates one's earning capacity. One's outturn depends upon various factors—and outturn is no indication of one's capacity to produce or his efficiency as a worker. Besides, there are some works which are more paying, *i.e.*, they can be done at lesser time and at the same time their rate is higher. There are some works which cannot be valued and paid for on piece-rate. When a worker is given such work his wages are calculated on the basis of the hours during which he is engaged on it, and for the purpose of such payment each worker has an hour fixed. Generally this is fixed on the average of his earnings per hour which he earns when put on piece-work. But as the class rate of a worker when once fixed, increases biennially it does not generally represent his actual capacity to earn per hour if put on piece-work. Generally the class rate of a senior hand is higher than what he can earn when put on piece-work. This was done on the recommendations of the piece-works committee to ameliorate the condition of the senior hands.

Now, Sir, I am informed, that the authorities of the press have practically ceased to distribute the "paying works" to hand compositors who are piece-workers, but are giving them to the mono-operators and lino-operators who are all salaried hands. This is one of the reasons why the earnings are decreasing. Another reason is that the senior men whose class rate is higher are seldom put on "hour work" and when it is found that the outturn of any worker is higher than his "class rate outturn" he is put on "hour work" and *vice versa*.

Sir, there are other things, such as vagaries of section holders, computers, checkers, etc., which are responsible for the decrease of earnings of a piece-worker. It was elaborately discussed by my friend the Honourable Mr. Khaparde in his dissenting minute of the piece-work committee report; so I will not go further with them any more.

It is therefore necessary, Sir, that there should be an enquiry as to why in spite of the measures recommended by the majority report of the piece-work committee which were calculated to bring about an improvement both in the earnings and condition of service of the piece-workers did not have the desired effect. I think, Sir, that the lot of the poor piece-workers in the press cannot improve unless the piece system is totally abolished as suggested by my Honourable friend Mr. Khaparde. In this connection I may inform the House that in State Railway Presses the piece system has been abolished since 1930 and all the workers there are now being paid on the monthly salary system. The Government of India also has abandoned this system in its presses at Simla and Aligarh and practically put many of its workers in the Delhi Press, *e.g.*, binders, machinememen, etc., who are piece-workers in the Calcutta Press, on the salary system. Why then does Government not abolish this system altogether in its presses?

Then, Sir, there are other matters which also require scrutiny. There are many men even with such length of service as more than 20 years who are

still working as temporary hands. This practice, as far as I know, was condemned by the piece-work committee. And in 1930 Mr. C. T. Letton, the Controller of Printing and Stationery, informed the said temporary hands who submitted a petition to the Government:

"The Government are now considering the question of making nearly all the posts of the press permanent. I made this proposal months ago and the decision should come very soon. . . . I am certain that all those who can claim a fair amount of service will have their posts converted to permanent posts before very long."

Sir, four years have rolled by since this assurance was given, yet the situation remains almost the same.

Further about medical leave. Under the leave rules promulgated by the Government of India for the workers, medical leave is treated as cumulative and their services are being counted, since the promulgation of the rule in 1928 from the date of appointment for the same purpose. But they have been now informed after six years of uniform practice, that the authorities made a mistake and the length of service should be counted not from the date of appointment but from the date of promulgation of the rule, *i.e.*, September, 1928 and so the leave salary which they had drawn for medical leave taken has now been ordered to be recovered amounted to more than Rs. 500. Sir, is it justice? Why should the poor workers be deprived of a concession that they were so long enjoying and why should they be penalised for a mistake, if any, committed by the authorities themselves?

There is another matter. Retrenchment of staff has been effected in most of the Government Presses on account of paucity of work, yet from the Annual Report on Government of India Printing for 1929-30 it is found that under heads "Posts and Telegraphs" and "Military Services", a total contract for an amount of Rs. 12,83,551 was given to outside presses during the year under review. When the same question was raised some time ago, the Honourable Mr. Ley stated on the floor of this House that:

"The Government Presses were capable of doing the work given to contractors".

Why then, may I ask the Government, do they give out such huge contracts to outside presses? Sir, it cannot be said the contractor can turn out the work more cheaply than a Government Press. Sir, the Government has had sad experience with one press, Lal Chand's. Why is it committing the same folly?

There is another small matter which I would like to mention. The Central Printing Office was established to regulate the distribution of work to the aforesaid five printing presses. But unfortunately, I am informed, that while the Calcutta presses are suffering from dearth of work and many workers have to be retrenched the press in Delhi is having a surfeit of work and many hands have been recruited and the press almost always has to work overtime. Why are the Calcutta presses in the bad books of the Government? Another thing I would like to mention. Why are the retrenched hands of Calcutta not provided with jobs in Delhi or Simla? And why, if given such jobs are they not given the same pay which they were getting in Calcutta? Sir, I understand that some of the retrenched hands of the Calcutta press who have more than 15 years service were taken on in the Delhi Press on the recommendations of the Calcutta Manager and they were at first re-appointed on their former salary; but subsequently for reasons unknown they were demoted to a lower grade of pay. Why was this done?

[Mr. Mahmood Suhrawardy.]

The accumulated grievances of the Government of India Press employees expose the shameful indifference and callous unconcern with which they have been treated by the Government. The time has come when a crisis stares them in the face and the only way they can get out of this mess of bad organisation and shameful mismanagement is by instituting a searching inquiry into and thorough reorganisation of the whole wretched system.

Sir, with these words I commend my Resolution for the acceptance of this House.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I wish to speak early in the discussion on this Resolution because I had a similar Resolution which should have been argued a few days ago, but I fell ill and had to go home. I feel very much obliged to my Honourable friend Mr. Suhrawardy for his lucid and compact exposition of the grievances of the printers. It saves me the trouble of giving the previous history of this whole case. I have been connected with it for some time because I first took it up when we used to sit in Metcalfe House, in 1920, and since then I have been arguing this question in one shape or another and there was the temptation that I might stray altogether into wrong paths. He has saved me from that and I can begin with the argument straight off.

But first I will take a few preliminary points. The first is that in the papers and in the correspondence these people, the press workers, have been mentioned as labourers, temporary labourers and labourers employed on salaries and labourers kept hanging between the two, temporary but with hopes of permanency. That is how their labour is classified. But the important point is that though the word "labourer" in the English language does not carry any bad odour about it, in our Indian language "labourer" means a man of no education or culture, a man of a lower type. In England of course you speak of labourers in the scientific field or other branches of research in the best sense of the word. It has a different connotation altogether. Here it is not so, and I wish you to understand that these people who are being spoken of as labourers are really gentlemen; that is to say, they have a school or college education and do not belong to the labouring class as we know it here; they have connections in the learned professions and are, generally speaking, drawn from that class of people. So, though they are described as labourers, they have to be looked upon as gentlemen, not like the ordinary coolie or a water bearer or other humble workers of that calibre. Having made this distinction, I have to say that, speaking from my long experience in India and also my experience abroad in England, a phrase which I heard there most aptly describes the law of this world. The law of this world is:

"Unto him who hath more shall be given and from him who hath not shall be taken away even that which he hath".

When they first started the press they called people to put sticks, etc., together; labourers came there; later on they got better men who could not only put things together and do other things but also compose and put types together; these men were taken on and still classed as labourers. The whole class of compositors is spoken of here as labourers. When compositors came in, then there came the merchant naturally with his money and machinery. He had a great deal of money and more had to be given to him. The way to do it was to purchase his machinery and pay him. There was a mild craze for machinery and that mild craze has not yet

gone away but come to stay. The present civilisation is based mostly on scientific investigations. The craze for machinery being there naturally they want to get as many things done by machine as possible. There is a limit to everything in this world. Even the use of machines has got its own limits and there are points at which machinery fails because after all a machine is an inanimate thing. Unless there is a man behind it it does not carry things further. I suppose in course of time intellect will come by its own. I saw a book some time ago pointing out that a great deal is done by machinery. Unfortunately it is not available now; I have mislaid it. You take the cost of a work before machinery was introduced and the present cost. Machinery is said to save labour. Still if you take the cost of the machine and the interest on it you will find that it exceeds what was formerly paid to the labourers. Human labour is displaced by machinery and yet machinery is more costly in the end than human labour. However, that is too large a proposition to be argued on this occasion. I only mentioned it because it is important to remember how things went on.

In 1920 Sir Thomas Holland wrote a long memorandum and he wanted to replace many things by machinery. We used to meet in Metcalfe House then. It was pointed out that the proposal would take the bread out of the mouths of so many people. He replied "Oh, that is not it" and this is what he promised:

"That if the terms sanctioned in the Government Resolution of 15th July do not demonstrate that they would get higher wages for shorter hours of work, I would tear up the Government Resolution and that I would revise the rates and again revise them until the men acknowledge that they are able with these terms to earn a decent living by working during decent hours".

This was the promise under which this system came in. When it came in, I pointed out that it would not work, but that did not matter. It went on and it went on. So the two promises made in introducing this system of machinery and piece-work were that people would have a decent wage and a decent living by working decent hours. Has it turned out so? It has not. In an enquiry it has been found that originally when there was not much machinery but only hand labour each of these workers got something like Rs. 122 a month. Now each of these men get something like Rs. 82 a month. Anyhow Rs. 40 has gone away from the pockets of these poor people and they do not get on well. If you take the cost of the machinery that has been employed and if you calculate interest on it, you will find that Government is at present spending more money by employing machinery than they would have to spend if they had piece-workers. As a purely economic proposition, the present system is wrong. However, we can put that aside for the time being, because the argument usually advanced is that scientific apparatus will cost more in the beginning but gradually it will get cheaper; as royalties on the inventions disappear the thing would become cheaper; and on that consideration we can tolerate this matter to go on further. But how did it go on? There were various quarrels, numerous discussions and that was going on for a long time. Then the matter came up again and the enquiry that we asked for was granted and I was one of the people put on that committee and there was Mr. Ascoli and there was a third, Sir Vithaldas Thackersey, who is dead now. I am about the only living representative of that committee. That committee came to a decision with which I did not agree and ultimately I had to write a long note of dissent and that note of dissent also has been referred to by my Honourable friend Mr. Suhrawardy. All the arguments are there and so I need not repeat them. Our present point is this. We come now not for a prayer to revise any system; we are not asking you to change

[Mr. G. S. Khaparde.]

anything. We are only asking for an enquiry. After 13 years I suppose it is time to examine your system and see if it is working properly or not. It is not an inordinately short time within which to revise a thing. Twelve years is our Indian time to examine a thing and see what happens. This is the end of the twelfth year. We again come up and those people for whom I spoke then I speak now and I again ask an enquiry may be granted and that enquiry has to be on the five points mentioned in the Resolution. After the committee reports on these five points the report will be considered by this Council and decided finally. There is a little history which has to be necessarily mentioned. After this enquiry and my note the matter came up again and that was the time when Mr. Ley was Secretary of the Commerce Department. He fought our propositions, of course; but when it was argued, then he said:

"I do not want it to be understood to suggest that there are not grievances: there are grievances and there must be,"

and so on. So that there were grievances when we came up again; that fact being admitted I may be allowed to stand there. Then we were told that these poor people could put petitions but ought not to request Members to ask questions and so on. But they again put questions and then came a thing which really took me by surprise. They again put questions and the answer at that time was given by Mr. Letton. He is also connected with the department, I am told, and he said:

"I have made recommendations that these grievances should be redressed and proposals have already been submitted to Government and orders are expected and then the matter will be all right."

So we cannot set down what it is but "something is going to be done". Later on, it came out that Government had declined to interfere, and things remained as they were. In these circumstances, I bring this Resolution before the Council here. It appears in the meantime that the department did not like our bringing the matter before the Council because Mr. Ley said:

"Why do you come to the Council? You come to me with petitions and I shall settle them all right and they will be departmentally dealt with properly."

We said "All right". So those people brought petitions, something like 300. What became of those petitions God alone knows. There was no action taken, and there the matter stands even to this day. Whatever became of those petitions we got nothing out of them. At least it was said that proposals had been submitted. We did not know what the proposals were nor were we entitled to ask because they were officially submitted and until they were sanctioned they could not be disclosed. Ultimately they said no orders had been passed. Anyhow we got nothing out of it. And there the matter stands. So at this time I believe Honourable Members will agree that we have followed out the official course. We have not tried to upset any of the set customs in the office and we come to you after 13 years once more with the same complaint, that our plaint still remains unredressed. If you gave us a committee and we did something with that committee, the matter was left over and was not satisfactory. Will you kindly give us another committee now and let them decide and if they decide we will abide by it. So this is the plaint before you and this is our application. Our application is for a committee of mixed officials and non-officials of such number as the Council approves, with instructions to inquire into and report on the five points mentioned in the Resolution and if they would kindly do that then it will be time to see

how matters stand. This is our case and this is the case that I have come to argue and put before you, and I believe this the proper place to leave it at. There was a promise made by Sir Thomas Holland to provide two things—a decent wage and decent hours of work. That has not been fulfilled. Further inquiry said something would be done: but nothing has been done.

THE HONOURABLE THE PRESIDENT: Will you please conclude your speech.

THE HONOURABLE MR. G. S. KHAPARDE: I am concluding, Sir. This is my peroration. So the Government's promise having failed and we having waited 13 years, we have come here to ask for another inquiry and we hope Honourable Members will give us an inquiry.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, I give my whole-hearted support to the Resolution. I feel, Sir, that the demand that is made is only a modest one. It cannot be denied that the system which obtains in these two presses, the Government presses and the Indian State Railway presses is such that it neither makes for economy nor efficiency nor does it conduce to the creation of healthy conditions for the people employed in them. Sir, it is true that there have been inquiries into the condition of things in both directions but, Sir, as has been pointed out by my Honourable friend, the Honourable Mr. Suhrawardy, both these inquiries were defective. The inquiry that was made last year by the official committee set up to inquire into the grievances of the Indian State Railway presses was vitiated by the fact that the employees of those presses were prevented from establishing their case before the Committee through their own representatives. Their request that they should represent their case before the Committee through the Secretary of their Union was turned down by the Agent as my Honourable friend, Mr. Suhrawardy, has just pointed out. The attitude taken up by the Agent seems to have been so uncompromising, so stiff, that even Mr. S. C. Mitra, the ex-M. L. A. at whose instance that Committee appears to have been set up was refused a hearing. Though he went to the Agent at the instance of the Chief Commissioner of Railways, he was told by the Agent that the inquiry had been closed and there was no use of his making any representations to him in the matter. Well, Sir, that was the fate of the inquiry about the Indian State Railway presses. As regards the other press, Sir, the investigation that was made in this case also failed to produce the desired effect. The reason was, Sir, that the scope of the inquiry was limited and it did not cover the whole field of the operations of the system that obtained in this press. Secondly, even those few recommendations that were given effect to by the Government were in the very process of being carried into effect, so modified that much was done to militate against the very purpose for which those recommendations were meant.

Sir, the grievances of the employees in these presses are many and real. As has been pointed out by my Honourable friends who have spoken before me these grievances have been brought to the notice of the Government from time to time, and in spite of the inquiries that have been made and in spite of the fact that an attempt was made to try and improve conditions, the lot of the employees of these presses has remained as it was. There does not seem to be much improvement there, because the press employees in these presses appear to have no sympathy of the authorities. As the Honourable member of the Resolution has pointed out, a distinction is made between the

[Saiyed Mohamed Padshah Sahib Bahadur.]

salaried hands and the piece-workers. There is no justification whatever for this distinction for this is a distinction without a difference, because the work that is done by the salaried hands in one press is the work that is done by piece-workers in another press. So, this distinction has no justification. Again, Sir, in the matter of leave, allowance, etc., the piece-workers are labouring under great difficulties. Again, in giving a particular kind of work to particular people the recommendation of the Piece-workers' Committee has not been properly carried out. No definite rule to my knowledge has been made which would go to make things clear, so that it would not be possible for the people who distribute work to exercise favouritism. I am told, Sir, that even now, older men get heavier work very often and the younger men get better sort of work. There is again a perpetual conflict between the interests of the salaried hands and those of the piece-workers. Since salaried hands are entitled to over-time allowance, they are for making delays; while, on the other hand, the piece-workers, who are paid by the amount of work, are anxious that they should turn out as much work as possible. The result is that the piece-worker very often has to wait for hours without having any work since they have to depend upon people whose interest lies in delaying as much as possible. I feel, Sir, with my Honourable friend Mr. Khaparde, that since the Honourable Mr. Ley, who replied to the criticisms in this Honourable House admitted that even after an enquiry had been made by the Sarma Committee and after Government had attempted to give effect to the recommendations of that Committee, there were still grievances, and inasmuch as it was admitted even so long ago as 1926 that there were grievances,—I feel, Sir, in view of these considerations that a very strong case has been made out to make a further inquiry into the matter, and to see that those grievances are redressed.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I wish to associate myself and my Party with the object with which this Resolution has been brought forward. We are all in sympathy with this Resolution, because it wants to give something to these have-nots. Although the order of things in Europe and everywhere else is to take away from the have-nots, we in India at least have not become so much modernized. Sir, Government have taken up an anomalous position with regard to Government Presses. We find from statistics that the number of men who are employed is getting less and less and the work that is put out from the Government Presses are not on the increase. We are told that contracts are given to contractors, because they do things cheaper. The question is, how is it that a contractor can put out the same amount of work at a cheaper rate than the Government?

THE HONOURABLE MR. D. G. MITCHELL : He pays his workmen less.

THE HONOURABLE MR. HOSSAIN IMAM : I will tell you how he does it. If there is more output the overhead charges are reduced. The lesser the output, the greater the incidence of overhead charges on each piece-work that is turned out. Private contractors make intensive use of their works, their mill, machinery and everything. Where they save is in the overhead charges. The highly paid officers increase the cost of the Government of India Presses. In no private press will you find a manager or superintendent on the same scale of pay as in a Government Press. As far as these workmen are concerned, they do not get a much higher rate of salary than they command in other commercial works, but there is no doubt that the officers do

get a much higher rate of pay than they do in private presses. I wish to ask for information from Government on one point. When a question was put in the Assembly—question No. 127, dated the 20th September, 1933—as to whether the cost of the work in the monotype and linotype was higher than that of the ordinary press, the reply was that they were not high. But when a detailed account was demanded how much would be the cost of each and every item, which would go to make up the real cost of these monotype and linotype, the reply was that this information was not readily available. One wonders how one can say that a thing would be costly or not when one does not know the full cost item by item. It is easy to say that the amount of wages paid is more in hand work than in machine work. But the entire cost,—the replacement charges, the original cost price, the interest charges, the machinery which they utilise,—all these items go to make up the cost. I therefore appeal to the Government that this matter deserves their sympathy and that they would not be over-burdening the taxpayers if they do justice to the workers.

Sir, I support this Motion.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary) : Sir, the Honourable Members who have spoken have me somewhat at a disadvantage. They have come briefed with a number of specific grievances, of which I had no special notice, and I find myself quite unable to meet their very large number of points of detail. However, I think it is not incumbent on me to meet them on points of detail. The frame of the Resolution is not the discussion of grievances but the appointment of a Committee to inquire into those grievances, and I propose to confine my remarks to that very broad issue. Now, we all have our grievances. I suppose most of the Honourable Members of this House have their grievances, though they cannot be said to be drawn from the economically depressed classes. I should think there are few groups of industrial workers in the whole world who have not got economic grievances. I do not for a moment deny that the industrial workers in Government and Railway presses have their grievances. That however is not the question. The question is whether these grievances are of such a nature as to require the special step of the appointment of a special committee consisting of officials and non-officials to make an inquiry into those grievances. I would point out that the appointment of a Committee of this kind virtually amounts to a vote of censure on the administration in the department concerned.

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir, we do not say that.

THE HONOURABLE MR. D. G. MITCHELL : As I will endeavour to show later, machinery already exists in the department concerned for the redress of grievances. If that machinery has failed to operate it must be through the fault of the department concerned, and I regard the motion as virtually constituting a vote of censure on my department.

Now, Sir, is there a case for the appointment of this special committee? To my mind two conditions must be proved before we can accept that proposition. The first condition is that the state of these workers is a grievance crying to the heavens, which requires special and immediate redress. The second is that there is no regular machinery by which these grievances could be redressed. I submit, Sir, that in spite of the lugubrious tones of the Honourable mover, neither of these two points have been established. To begin with, let me explain very briefly and broadly the condition of the industrial workers

[Mr. D. G. Mitchell.]

in Government Presses. As most Honourable Members in this House and all those who have read the Report of the recent Royal Commission on Labour know, one of the features of Indian industrial life is what is called "turn over," which refers to a habit of labour all the world over, and particularly in India, of seeking a fresh job every now and again. It may be due to mere restlessness or incapacity to hold down a job; but in any case the phenomenon exists. But there is one very notable exception. It does not exist in the Government of India or Railway State Presses. Once a man gets a job there, he stays in that job until he dies or retires. There is no desire to seek another job. Even a man taken on as a temporary hand does not seek to get another post elsewhere; his chief ambition in life is to be made permanent.

THE HONOURABLE MR. HOSSAIN IMAM: The trouble is they may continue to be temporary for 20 years.

THE HONOURABLE MR. D. G. MITCHELL: In that case his ambition becomes all the more keen.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: That is what we want an inquiry for.

THE HONOURABLE MR. D. G. MITCHELL: Now, Sir, we come to more particular terms and working conditions. The Resolution itself gives, I am sorry to say somewhat vaguely, certain references. The mover indicates certain headings on which I will make a few remarks. "Leave, holidays, pay and pensions granted to the workers." The Honourable mover of the Motion himself showed that the salaried workers get a month's leave each year and the other workers get from 16 to 31 days' leave each year on full pay. I would ask him if he will find many groups of industrial workers in India or anywhere else where the leave terms are so good.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: The whole point of my case is to make all the piece-rate workers into salaried hands and enjoy the same privileges as the permanent hands.

THE HONOURABLE MR. D. G. MITCHELL: The grievance is that the piece-workers are not so well treated as the salary workers; not that the salary workers or piece-workers are badly treated.

THE HONOURABLE MR. G. S. KHAPARDE: I asked for the abolition of the piece system in my note of dissent 13 years ago.

THE HONOURABLE MR. D. G. MITCHELL: Government has been taking up the question of this piece system. It has been considering it for many years past. I am not intimately acquainted with its history, but the last incident of which I am aware happened in July last, when in the Delhi Press at the instance of a group of binders and machine men a number of salaried workers were put on piece-work at their own request. They made an application and special permission was accorded to enable them to work on the piece system. That is the last development in the history of the piece-work movement.

Then one Honourable Member referred to the hours of work. The hours of work are $8\frac{1}{2}$ and $5\frac{1}{2}$ on Saturdays; that is, 48 hours per week. This House

not very long ago passed a Bill which made the maximum 56 hours a week. This means that the workers in Government Presses work for one hour a day less than the ordinary workers in factories. I do not think there is any cause for the appointment of a special committee on this head.

Now, Sir, I have tried to make out a case for showing that the condition of these industrial workers is not so grave as to require the special step of the appointment of a committee. The next thing I will endeavour to show is that machinery already exists. These men are all Government servants. They can make an appeal to their immediate departmental superiors. They can form themselves into trade unions and become recognised and make representations to Government. In addition to that there is a particular system which has been encouraged very much—

THE HONOURABLE MR. G. S. KHAPARDE: Do these circumstances take away the Council's jurisdiction over the matter?

THE HONOURABLE MR. D. G. MITCHELL: I shall come to that. As I said, in addition there is a system known as Works Committees which was very much encouraged by the last Controller, Mr. Letton. They are small committees of the workers in each press who are allowed to represent by personal contact with the departmental chiefs concerned any grievances about the working conditions of the workers in the press. There is nothing to prevent the workers in these presses from representing their cases to Government through their departmental superiors in the ordinary way, either through the Works Committees and their departmental superiors, or by means of recognised unions. When these representations reach the Government of India, they will be dealt with in the first place by my colleague Mr. Clow.

THE HONOURABLE MR. G. S. KHAPARDE: Do I understand that even if the Government of India do not decide a case for 30 years, they need not or ought not to come to the Council?

THE HONOURABLE MR. D. G. MITCHELL: I have not mentioned the word "Council." They will come in the first place to my colleague Mr. Clow, whom I think nobody could accuse of lack of sympathy with industrial labour. In the last instance they would be dealt with by my Honourable Member Sir Frank Noyce, who, I think the Council will also admit, cannot be charged with hardness of heart. I can assure the Honourable Members who have spoken on this Motion that if these industrial workers in the presses will get together and form themselves into proper unions and get themselves recognised, they have a complete machinery now for the representation and redress of all grievances, and I can give them every assurance that any grievances properly represented through the ordinary departmental channels in this way will receive the most sympathetic consideration.

There has been a great deal said about the Railway Presses and the recent history of representations of workers in these presses. Now I know a little of the inner history myself. Last year about this time the Honourable Mr. Abdul Hafeez gave notice of a very similar Motion. He had a talk with my Honourable Member who gave him an assurance that he would ask the Railway Member to look into the grievances which the Honourable Mr. Abdul Hafeez had been representing. About the same time the same grievances were discussed on a token out in the Assembly and the Railway Member himself gave an assurance that he would have them enquired into. This was in the month of March last. Very prompt action was taken and a small committee

[Mr. D. G. Mitchell.]

was appointed consisting of two Deputy Agents and a senior Accounts Officer, who proceeded at once to make the enquiry. I gather that when Mr. S. C. Mitra approached the Agent of the East Indian Railway, he did so many months after the appointment of the Committee—

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : After the Committee's enquiry was over ?

THE HONOURABLE MR. D. G. MITCHELL : The Committee was appointed very shortly after the month of March and Mr. Mitra did not approach the Agent of the East Indian Railway till October. The result was due to promptness of action of the railway authorities and not to any lack of sympathy or consideration.

Now, there has been a great grievance made that a trade union official was not allowed to approach the Agent of the Eastern Bengal and other railways concerned. Honourable Members of this House must know perfectly well Government's position in regard to unions of industrial workers composed of Government servants. It is that the unions must consist of a definite class of Government servants and of Government servants only. Government cannot recognise or have any dealings with a union which consists partly of Government servants and partly of outsiders. It is against the existing rules and against obvious policy. Further, I would ask Honourable Members who have supported this particular part of the Resolution just to reflect in their own minds what is the best procedure for a group of workers who have grievances to represent. Do they want to go and hire outsiders to represent their case before departmental superiors ? Is it not better that they themselves should go in person, sit round the table and have a talk, a talk about things which are matters of day-to-day experience on both sides ? Is not that much better than having—

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Certainly it is much better if the departmental superior hears them.

THE HONOURABLE MR. D. G. MITCHELL : I would only suggest to the House that if Government should accept this contention of the workers, then Government would be entitled to adopt the same method, and deputations from workers might find themselves talking to a Government pleader—a position which they do not like. The attitude of the Government is let the workers come themselves ; let them talk their grievances over with their departmental superiors in a friendly fashion and their grievances will be properly enquired into. There is no reason why this should not be done. There is no reason in particular why these industrial workers in presses should not represent their own grievances. They are not illiterate people, but as the Honourable Mr. Khaparde said, highly educated gentlemen.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : They must appoint a representative of their own choice to speak.

THE HONOURABLE MR. D. G. MITCHELL : I have already mentioned that a Committee was appointed to enquire into the grievances of the Railway press employees. That report has just been received. It is a most formidable document and is now receiving the very sympathetic consideration of the Railway Board. I would ask my Honourable friend Mr. Suhrawardy not to

describe this as whitewash until he has had an opportunity of reading it. As it was only presented a week or so ago, neither he nor those who briefed him have had the opportunity of discovering whether it is whitewash or not. But I can assure the Honourable mover that the report will have very sympathetic consideration from my Honourable friend Sir Guthrie Russell. Sir, I oppose the Resolution.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Sir, I listened with patience to the arguments advanced by my Honourable friend Mr. Mitchell, who is the Secretary of the Industries and Labour Department and who is the authority concerned in this matter, but I am not going to accept his statement that if a committee of enquiry was appointed it would be tantamount to a censure. There have been so many committees appointed at the Round Table Conference and India is sharply divided in its opinion. Again, the Joint Parliamentary Committee was appointed. Does the Honourable Member mean this is a censure on the British Parliament ? This is no argument. But having regard to the financial aspect and the present condition of India, I am not going to press for the appointment of a committee, as the Honourable Member gave me an assurance that if the grievances are put by the workers themselves or by their representatives or by deputation, they will receive due consideration of the department individually and their individual grievances will be remedied. On that assurance alone if I have understood him rightly, I am not pressing this Resolution.

The Resolution * was, by leave of the Council, withdrawn.

RESOLUTION RE ADVANCEMENT OF LOANS ON THE SECURITY OF POSTAL INSURANCE POLICIES.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : The Resolution that stands in my name runs thus :

" This Council recommends to the Governor General in Council to issue instructions to the Postal Department so to alter the existing Postal Insurance Rules as to provide for the advancing of loans on the security of the postal policies to their policy holders "

Sir, my Resolution contains a proposition which is I think most non-controversial. I move this Resolution in the interests of the Government servants, and particularly of low paid Government servants. Sir, on this point a question was put by me and the answer that I read in the papers was to the effect that Government do not want to compete with private concerns in this matter and moreover in the interest of the families of the policy holders they do not think it advantageous to advance loans and therefore they do not want to change their policy. Well, Sir, I submit that the Government have competed with private concerns in this matter, because by issuing policies they have to some extent competed with insurance companies and other concerns. So far as loans are concerned, Government do advance loans for house building purposes ; they also advance loans for the purchase of conveyances, and if my information is correct Government do advance loans to their employees from the General Provident Fund for meeting expenses in connection with illness in their families, for marriage purposes, for religious rites, etc. I am induced to take up their cause, Sir, especially of the low paid Government servants, because in my province I find nowadays the money market very tight. Certain Acts have been passed during the last two or three years in

* Vide page 311 ante.

[Mr. V. V. Kalikar.]

my province on account of which the ordinary money-lenders do not or are not inclined to advance loans to these low paid Government servants without any security, and in some cases they demand the security of land or landed property. The result of this is that these poor low paid Government servants come into the clutches of money-lenders who charge exorbitant rates of interest. In order to facilitate the advancing of loan to these low paid employees, I thought over the matter and I put this proposition up before the Government for their acceptance. It is in the interests of the Government that their employees should be free from financial embarrassments. For the efficiency of the administration it is necessary that their servants should be well fed, well clad, and should have facilities to meet their demand when unforeseen circumstances make them or force them to take loans. I wish they had no opportunity of taking loans, but nobody can control these things and in certain circumstances they are forced to take loans. So my submission is that as in many cases many of the low paid Government servants do not contribute or are not in a position to contribute to the general provident fund and therefore they are denied the facility of getting loans from the General Provident Fund, this sort of facility should be afforded to them so that they may be free from the clutches of exorbitant money-lenders. I therefore appeal to the Government to think over this problem seriously and accept my innocent and most non-controversial Resolution.

Sir, I move.

THE HONOURABLE SIR FRANK NOYCE (Industries and Labour Member) : Sir, in a few days I shall be presiding at a meeting of the Posts and Telegraphs Compassionate Fund. That Fund has been constituted to enable us to give some help to the families of employees of the Posts and Telegraphs whose bread-winner has been taken away from them during the course of his service and who has left them in poverty-stricken circumstances. The amount at our disposal is unfortunately very small indeed, far too small to enable us to deal at all adequately with the number of claims on the Fund. I hope that before long, when financial conditions improve, I shall be able to soften the hard heart of the Finance Department and get an extra allotment, for it is distressing to find the number of cases which come to us in which wives and children have been left very badly off indeed and in which we can do so little to help. It was with that in mind, Sir, that this postal insurance business was embarked on by the Post Office. What I wish to impress upon the House is that the whole object underlying our postal insurance is to enable the bread-winner to make provision for his family not for himself and that object would be largely frustrated if my Honourable friend's suggestions were accepted. We wish to encourage our employees to think about their families and, unfortunately, at the present time, many of them are not nearly as much inclined to do as they should be. Once we depart from our present system, I hesitate to think to what extent we should have to go. We should find that the claims on our compassionate funds are far greater than they are now. That is the main reason for which I am unable to accept my Honourable friend's suggestion. I realise his sympathy with the employees of the Posts and Telegraphs Department and I share it. I hope he will realise that. One of the reasons why we are able to give this postal insurance at a rate which, I think I may say, speaking in the presence of an expert on the subject, my Honourable friend, Sir Phiroze Sethna, compares very favourably with that offered by the insurance companies is that we do not advance loans on the security of the insurance policy. It is not Government's business to do money-lending and if once we

started on it, it would obviously increase our administrative expenses greatly and send up the cost of the policies. Employees who are in need of money can get it from banks or firms of standing on the security of their insurance policies but for the reasons I have explained, I do not think it is in the least desirable that they should do so and I hope myself that they find it rather difficult.

I think, Sir, that is all I need say to explain why we are unable to accept this Resolution. There is only just one point I would add. We fully realise the evils of indebtedness and there is a Bill now under consideration in the other House which should make the lot of the Government servant somewhat easier as it provides for the protection of the pay of the low paid Government servant from attachment. I would again repeat, Sir, that this postal insurance system involves very valuable concessions. It is of very great help to the low paid postal and telegraph employees. I can only wish they used it to a far greater extent than they do but I should very much deprecate their using their insurance policies in the way that my Honourable friend suggests. I hope that I have made our position clear and that, when he realises the implications involved in his proposal, he will not press it.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Sir, my Honourable friend, Mr. Kalikar, began his speech by saying that it would be a great help if the Postal Department made loans on the security of postal policies as it would save the borrowers from grave financial troubles. I do not agree with him. A man would not be in financial troubles if he is able to afford the premium for his postal insurance. But of course it may be that at a later date he might be involved in financial troubles and if he is so involved, then the question is whether any loan would be given to him by the Post Office. The Honourable Member for Industries has told him, and I believe it is a fact, that if he offered his postal insurance policy as security a bank or a money-lender would advance money on that security. May I know from the Honourable Sir Frank Noyce whether there is any objection to a Government servant offering such a policy as security to any bank which lends him money on the security of that policy?

THE HONOURABLE SIR FRANK NOYCE : I do not think so.

THE HONOURABLE SIR PHIROZE SETHNA : If there is no objection then he can always borrow on the security of the policy?

THE HONOURABLE SIR FRANK NOYCE : I think so. That is the information I have obtained from the head of the department who says that such employees as are in need of money or wish to borrow on the security of their insurance policies can do so from any bank or insurance company of standing or co-operative society on the security of those policies.

THE HONOURABLE SIR PHIROZE SETHNA : Well, if that is so, Sir, that answers the objection raised by Mr. Kalikar.

As regards the observation which fell from Sir Frank Noyce that the postal insurance rates are lower than those of other insurance companies, they certainly are and are therefore a great help not only to members of the Posts and Telegraphs Service as he said but also to all Government servants who wish to insure and the limit of postal insurance that was formerly fixed at Rs. 6,000 has, I believe, now been raised to Rs. 10,000.

THE HONOURABLE MR. V. V. KALIKAR: Sir, I fully agree with the Honourable Member for Industries and Labour that the families of these low paid Government servants should be protected. But at the same time I desire that they should be protected. It seems, Sir, that public opinion has yet to crystallize on this matter. I may, for the information of the Honourable Member for Industries and Labour, state that in my province these banks, except the Allahabad Bank, do not advance loans to the holders of postal insurance policies. The Allahabad Bank advances loans only at a very high rate of interest from 7 to 7½ per cent. or even 8 per cent. My object in moving this Resolution was only to help these low paid Government servants in time of great difficulties and emergency. However, I think that when public opinion becomes irresistible, then Government will have to reconsider their decision. I therefore beg leave of the House to withdraw the Resolution.

The Resolution* was, by leave of the Council, withdrawn.

THE HONOURABLE MR. HOSSAIN IMAM: I do not intend to move my Resolution, Sir.†

RESOLUTION *RE* INQUIRY INTO CONDITIONS OF HORSE BREEDING COLONISTS.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, the Resolution which stands in my name runs as follows:

"This Council recommends to the Governor General in Council to order an inquiry into the conditions of horse breeding colonists and to suggest what modifications should be made in the conditions imposed by the Army Remount Department when the lands were originally granted to them".

I must confess, Sir, that the subject-matter of this Resolution is foreign to Members of this House, because it concerns a matter which is merely confined to a part of the Punjab. But considering the fact that some Members of this House take a very keen interest in horse breeding, I am sure that they will listen to the discussion with interest and I hope they will support me in my proposition. In the beginning of the 20th Century, the Army Department, persuaded by very noble motives, started a scheme with a view to get remounts from this country instead of importing them from outside. With this object in view, they, in consultation with the Punjab Government, prepared a scheme allotting about 250,000 acres of land to various zemindars on the condition that they would maintain mares in their lands under the supervision of the Army Remount Department. Since then, Sir, horse breeding in this country has made very great progress. As a matter of fact, it is mainly due to this interest which the army people have taken in horse breeding that you find the Horse Show in Delhi such a great success, because some of the beautiful mares which you see here in Delhi come from the Sargodha, Montgomery and Lyallpur districts. This allotment of land may be divided into two classes. One may be called the small grantees and the other the big grantees. The

small grantees consist of those ordinary zemindars who were allotted about 50 acres of land, and they were asked to keep one mare which would be approved by the Army Remount Department. When this announcement was made, most of the people living in those districts where there were no canals, and who were very poor, sold off little holdings they possessed in their native district and invested that money on buying mares, the average price of which was between Rs. 800 to Rs. 1,000, per mare. They brought these mares to the Army Remount Officer for approval and they were then allotted that small piece of land. Then, there are those big grantees who consist of not only Punjabis but some people from outside as well. For instance, some officers of the Army Remount Department who on their retirement on pension, thought they will be able to live in India for some time—they were also allotted lands on similar conditions as those in the case of the other grantees. The area of land granted to them was very large; in some cases 5,000 acres and in other cases, 10,000 acres. I must admit that some of them are really taking a very keen interest in horse breeding. I wish some Members of this House like my Honourable friend, Sir Phiroze Sethna, who are very keen on horse breeding, would request His Excellency the Commander-in-Chief to allot them certain lands in the Punjab so that they may also start horse breeding. Now, Sir, when these lands were originally granted to them the price of land was very much different from what it is at the present moment. The cost of living was also much cheaper. So, these poor zemindars somehow or other managed to live with their families on these small holdings. But since then prices have fallen. I feel that the time has come when the Government should make an enquiry whether it is necessary to revise the conditions upon which the lands were originally granted. Besides, Sir, there is one great difficulty under which these people labour. There is a sort of dual control. There is the local Government, the Government of the Punjab who hold control over them and can sometimes even order the confiscation of land or can fine them for various offences. They are also under the authority of the Army Remount Department. The result is that sometimes, when a question is asked about the grievances of these horse breeding colonists in the local Council, they are referred to the Government of India, and when a question is asked here in the central Legislature, most of the replies are to the effect that a copy of the question will be sent to the local Government. Therefore, they can neither get their grievances redressed through the central Legislature or the provincial Legislature. As an instance, I may draw the attention of His Excellency to page 277 of the Assembly Debates, Vol. V, 1931, where quite a large number of questions were asked about the grievances of horse breeding colonists and the reply in almost all the cases was the same. For instance, Mr. Young said:

"The matter concerns the local Government to whom a copy of the question is being sent".

Another question was asked by Sardar Sant Singh and again the reply was:

"Rules have been framed by the local Government to whom a copy of this question has been sent".

Another question was asked and the reply was:

"A copy of this question is being sent to the local Government".

If any question is asked in the local Council, they give a similar reply. I raised this question in 1927 although this was not actually moved in the

* Vide page 325, ante.

† "This Council recommends to the Governor General in Council to take practical steps to check the increase in the population of India."

[Raja Ghazanfar Ali Khan.]

Assembly when I was a member in 1927. I had sent in a cut on the army budget to censure Government over the grievances of the horse breeding colonists, but I did not move that cut, because before the time came, I received a message from His Excellency the Commander-in-Chief that he would be pleased to hold a small enquiry at which he would consider all these grievances. Immediately on receiving this message I dropped the idea of moving that Motion, because the real object was not to censure the Government but just to invite the attention of the Army Department to this matter, which being comparatively a minor one concerning only one part of the country might easily be overlooked in the pressure of other important matters. Now, Sir, this Committee was held in Simla when Mr. Young was Secretary and I had supplied to him about 25 questions relating to these horse breeding colonies, in regard to which he obtained replies from the Army Remount Department. Naturally there were fundamental differences on facts in the replies and my information, because Government's source of information was the Army Remount Department and mine the horse breeding colonists who were affected. Unfortunately the question as to what steps should be taken was still under consideration when the term of that Assembly expired; I did not return to the Assembly and this question was left where it was. I would now request His Excellency the Commander-in-Chief if he could very kindly see his way to agree to the appointment of a committee, not an elaborate committee to make a public inquiry and take evidence, etc., but a small committee of one or two officials and one or two non-official Members who would look into these grievances and suggest remedies. I would even go a step further and ask His Excellency kindly to consider whether it would not be possible for him to appoint a sort of advisory committee, as they have in the Government of India in every department, whose function it is to advise Government on matters concerning the work of that department, like the Railway Advisory Committee. Why not have a small advisory committee which would bring these complaints from time to time to the notice of the authorities? I would prefer to have such a committee appointed at Sargodha where these horse breeding colonists are centred. It could work under the guidance and supervision of the Army Remount officer who is stationed at Sargodha, and it could meet once in six months. But the membership of this committee should be confined to those people who have no direct interest in the Army Remount Department, I mean those who are not themselves included in the big landed grantee class; because naturally the treatment meted out to the smaller zemindars is somewhat different from that which is meted out to these big influential people, and the latter will not be able to represent the grievances of the small agriculturists.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: May I point out that in the large grants one and a half squares are given per mare, and in the case of small grants two squares?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am very much obliged to my Honourable friend for having supplied me with information which I already possessed, but the fact is that by the small grantee I meant a grant of just over 30 acres of land and a grantee who keeps only one mare. By the big grantees I mean those who keep 20 mares and who have two or three thousand acres of land. There is a big difference.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: The area is smaller per mare.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The area is smaller and I can assure you that if they also feel dissatisfied with the smaller areas then I would plead their case also and would welcome the Army Remount Department considering their case for increasing their areas. But the essential factor in the case of the smaller horse breeding colonists is their economic condition. When a mare is declared unfit they have to buy a new mare within three months. The price of a good mare is Rs. 800. You can imagine the condition of a poor zemindar with about 30 acres if his mare dies or is declared unfit. He has to spend Rs. 800 at once for a new mare. I would request His Excellency very kindly to consider whether it is fair that that poor zemindar should replace the mare himself, and whether the Army Remount Department would not be prepared to supply a mare if the zemindar's mare is declared unfit through no fault of his.

Then, Sir, a committee was appointed by the Punjab Government in 1930, a small committee to inquire into some of these grievances. They reported and their report has now been published, although it is for the first time I am seeing it in the Colony Manual. I have received complaints from the horse breeding colonists that they do not know what the rules are and what remedies have been suggested. But I am sure it will now be published in Urdu and that copies will be supplied to them. The committee have suggested some remedies, but there must be some machinery or organisation at Sargodha itself which can readily bring these grievances to the notice of the Army Department.

Another point, Sir, is that during the last 10 or 15 years I understand the strength of the cavalry has been considerably reduced and the demand for remounts has naturally decreased. At the same time the supply of colts amounts to 4,000 per annum, and in view of this would it not be desirable to release some of the grantees from this condition of keeping mares? I do not wish to discuss detailed items here as it would only prolong the debate. I only hope that the Government will very kindly see their way to meet me reasonably on this most important question.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, the Honourable mover so far as I can make out has put two principal points to the House. One is that the present conditions weigh very heavily on the grantees, who are really worse off, he makes out, then the non-breeding grantees who are almost next door to them. The answer to that is that everybody when they took up those grants knew the conditions perfectly well and they got one and a half or two squares of land against the one square each given to their non-breeding neighbours, and their land was especially chosen for them. And what has convinced me all the more is that, whenever there is a square of land available, a great many people are ready to take it up.

The second point was that owing to mechanization and the reduction of cavalry the demand for cavalry horses has fallen off. But although the need for army remounts is not quite as great as it was, undoubtedly it is very desirable, I think the Honourable mover will agree, to make India as self-supporting as possible in this matter. If we altered the present arrangements, all the money that at present goes into this horse breeding industry in India will go out of India and probably go to Australia, and in addition India may find herself in a very serious position if war were to come. I can understand the Honourable Member taking all the trouble he has to represent this case and the grievances of the people who live in the horse breeding colonies and take Government land under these terms. He comes from there himself and nobody knows better than himself what the conditions are. If this was the first

[His Excellency the Commander-in-Chief.]

time that the subject had been raised and ventilated, I am sure there could have been no objection at all to institute an immediate enquiry and I certainly would have asked the Government to do so. But as he knows very well, the question was first enquired into in 1922 whether certain of those grants in fact could be converted into ordinary non-service colony grants and it was thoroughly well gone into and also the sale of proprietary rights of the land was fully considered by the Government of that day and it was decided that no alteration was possible in the conditions of the original contracts. Then again it was gone into in 1926 and the Government then considered whether greater efficiency could not be brought about at less cost by modifying the conditions in the Lower Jhelum Colony on the lines of the Lower Bari Doab Colony but the adoption of the Lower Bari Doab method in the Lower Jhelum Colony would have necessitated the purchase by the horse-breeding peasant of proprietary rights of one square of his grant and the remaining square would have reverted to Government for lease on horse breeding conditions. In order to ensure that no land held on horse breeding conditions was less than one square, it would have been necessary to provide extra land for the purpose and none in fact was available. Further, this method of readjusting the conditions would have resulted in a considerable reduction in the number of brood mares in the colony, and as such reduction would have vitiated the policy that had been decided on and arrived at after much consideration, the proposal also was turned down. In 1927, as the Honourable Member has just said, he himself took an interest in this matter, when he was a member of the other House, and asked certain questions. He was supplied with the answers to those questions and he appeared then to have been satisfied with them. In 1928, another agitation was started against the conditions in the Shahpur district. After consultation with the Punjab Government, the Government of India reiterated their opinion that no alterations of the horse breeding conditions attached to the tenancies of the colonists were possible. In August, 1929, a committee was constituted by the Punjab Government to investigate into certain matters in connection with breeding in this area. This committee made certain recommendations and they made certain rules with regard to unproductive lands. They made a rule that in certain cases immediate exchange was essential, because of their location in *surra*-infected areas, and because the quality of the soil was such that it was impossible for the grantees to fulfil their grants. They suggested that the exchange of such grants should be expedited, because there appeared to be sufficient Government waste land in the colony to accommodate all such grantees. With regard to the inadequacy of water supply, the committee felt that complaints of inadequacy of water supply were genuine in several cases, and if it was found that, under the existing arrangements for the supply of water, such cases were incapable of rectification, some other form of supplying water might be investigated, and, if found possible and advantageous, applied. The rules were approved by the local Government, who also took the following steps. They made endeavours to provide horse breeders whose land was water-logged with other suitable land. For this purpose the Government of India transferred to them the 22nd Cavalry run, 1,500 acres. They also decided that the cases of inferior land allotted to breeders should be examined and such persons were as far as practicable, moved to better land. Also steps were to be taken to ensure a fair supply of water to all horse breeding *chaks*.

I think in view of what I have read out—so that I could be certain that I made no mistake in this complicated matter—in view of the above, the Honourable Member cannot say that the Government have turned a deaf

ear to the demands for enquiry and fair treatment. The original grantees, as I said before, knew the terms perfectly well when they took up the land and I think it must be admitted that they were generous compared to their neighbours.

In conclusion, I would like to say though on the larger question there can be no alteration, the Government do recognise and have always recognised the need of the most sympathetic treatment in regard to this horse breeding and the grantees and I think this is obvious from the sympathetic behaviour of the remount officers who have to deal with them. It is in that spirit that we will now examine every suggestion that has been made by the Honourable mover. The one that struck me most, I admit, was the possibility of having an advisory committee and I will examine that and will also see what action is necessary with regard to each suggestion that he has made as soon as we get it from the shorthand writers of the House. With this assurance, I hope the Honourable Member will see his way not to press this Resolution to a division.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I am really very grateful to His Excellency the Commander-in-Chief for the kind assurance that he has given and therefore I very gladly withdraw the Resolution.

The Resolution* was, by leave of the Council, withdrawn.

RESOLUTION *RE* PREVENTION OF THE IMPORT OF FOREIGN RICE.

THE HONOURABLE THE PRESIDENT: Honourable Diwan Bahadur Narayanaswami Chetty. As this is a very important Resolution and will take some time to discuss and in order that you may not lose your priority, you had better read the Resolution today and you can make your speech on Wednesday.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, the Resolution that stands in my name runs as follows:

* This Council recommends to the Governor General in Council to take immediate steps to prevent the import of foreign rice into this country and to adopt other substantial measures to improve the present low prices of rice with a view to alleviate the lot of the agriculturists.

The Council then adjourned till Eleven of the Clock on Wednesday, the 27th February, 1935.

* Vide page 328, ante.

COUNCIL OF STATE.

Wednesday, 27th February, 1935.

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

MEMBER SWORN:

The Honourable Mr. Shantidas Askuran (Bombay Non-Muham-
madan).

QUESTIONS AND ANSWERS.

ESTABLISHMENT OF A MINISTRY OF TRANSPORT.

52. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether, and if so, when they are going to establish a Ministry of Transport in the Governor General's Executive Council?

THE HONOURABLE MR. D. G. MITCHELL: Government have accepted the principle that there should be a portfolio of Communications in the Governor General's Executive Council, but the question when effect should be given to it is still under consideration.

LITERATE RECRUITS IN THE MECHANICAL BRANCH OF STATE-MANAGED RAILWAYS.

53. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly lay on the table of this House a detailed statement of new literate recruits to the Mechanical Branch of the Indian State Railways on each State Railway (a) from qualified students from each of the Mechanical Engineering Colleges in India, (b) from other sources, during each of the last five years, to (i) superior service and (ii) subordinate service?

THE HONOURABLE SIR GUTHRIE RUSSELL: The available information was placed on the table of the House on the 27th August, 1934, in reply to the Honourable Mr. Hossain Imam's question No. 139.

INDO-BURMA TRADE RELATIONS.

54. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether they will before concluding the Indo-Burma Agreement consult the Indian Legislature and representative commercial institutions in this matter? If not, why not?

THE HONOURABLE MR. T. A. STEWART: I take it that the Honourable Member is referring to the discussions now proceeding between the Government of India and the representatives of the Government of Burma in regard to the nature of the regime which should govern the trade relations of India and Burma in the transitory period after separation. Government have

already consulted representatives of commercial interests in this connection. Should any Honourable Member be interested to initiate a discussion with a view to giving Honourable Members an opportunity of expressing their views, he is, of course, at liberty to do so, but, for obvious reasons, it will be impossible for Government to offer any expression of opinion.

CAPITATION CHARGES.

55. THE HONOURABLE MR. HOSSAIN IMAM: (a) With reference to my question No. 26 of 11th February, 1935, will Government kindly give the following information: Did Government contest the liability for these payments? If so, did they include the point in the case which they presented to the Capitation Tribunal? If not, why not? Had Government accepted the claims made by the War Office in 1908? For which of the items did the War Office claim, and what were the amounts?

(b) Is it a fact that the Secretary of State for India and the War Office settled the Capitation Charges without consulting the Government of India? Is it a fact that the Government of India protested against this action?

(c) Has Government received the War Office calculations referred to in my question No. 219 of 5th September, 1934? If so, will Government lay them on the table? Have they been examined by the Indian Actuary?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b). Both before the Romer Committee of 1907-08 and the Garrao Tribunal of 1932-33 the Indian claim was that all the capitation charges should be remitted. Government did not contest certain liabilities and accept others. In 1908 the Secretary of State for India and the Secretary of State for War arrived at a provisional compromise on the basis of certain decisions by the Romer Committee. It is a fact that the Government of India represented that they had not been consulted before this compromise was effected.

(c) Proof copies of the calculations have been received and are under examination. I am not therefore prepared to lay a copy on the table. I understand that the Government Actuary has not been consulted.

THE HONOURABLE MR. HOSSAIN IMAM: Has the Government Actuary been consulted?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Government Actuary has not so far been consulted and it seems doubtful whether examination by an actuary out here would in fact serve any useful purpose, but if the Honourable Member desires I will consider the matter.

THE HONOURABLE MR. HOSSAIN IMAM: Thank you, Sir.

SHORT NOTICE QUESTIONS AND ANSWERS.

56. THE HONOURABLE MR. HOSSAIN IMAM: Will the Government kindly state if they are enquiring or propose to enquire into the working of the Indian Income Tax Act?

THE HONOURABLE MR. P. C. TALLENTS: As stated in the Report of the Select Committee on the Indian Income Tax Amendment Bill introduced

into the Legislative Assembly by Sir Hari Singh Gour, the Government of India propose to secure the services of one or more income-tax experts from the British Inland Revenue Department in order to conduct an exhaustive examination of the Indian income-tax system, and are fully prepared to call the special attention of these experts to the opinions which have been expressed and the dissatisfaction which is felt at the absence of any outside appeal on questions of fact. It is hoped that these experts will visit India next cold weather.

57. THE HONOURABLE MR. HOSSAIN IMAM: Will the Government kindly state what action, if any, they are taking, or propose to take, about amending the Indian Life Assurance Act?

THE HONOURABLE MR. T. A. STEWART: The desirability of amending the law relating to insurance in India is now under examination by an Officer on Special Duty. On receipt of the report of that officer, a decision will be taken as to the mode of further procedure.

STATEMENT LAID ON THE TABLE.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I lay on the table the information promised in reply to questions Nos. 24 to 32 asked in the Council of State by the Honourable Mr. Hossain Imam on the 8th August, 1934.

Question No. 24.—(i) Yes. Formerly a separate contractor was appointed for each station. Now, each contractor has been given all the stations in an area: the Dinapore division to which the question refers being divided into three areas for this purpose.

(ii) The Administration did not and do not recover any fee from the contractors. The present agreements are for one year subject to six months' notice after the expiry of a year.

(iii) Two members made this suggestion at the meeting on the 18th November, 1933.

(iv) The matter is under consideration.

Question No. 25.—(i) The Agent, East Indian Railway, states that under the old arrangement it was found difficult to attain the required standard of catering and cleanliness.

(ii) No, but some of the former contractors who had proved efficient have been appointed contractors for some of the areas.

(iii) Yes, generally.

(iv) During the course of periodical inspections by officers and inspectors of the division.

Question No. 26.—(a) The amounts sanctioned for improving the stalls at the stations referred to were as follows:

	Rs.
Mughalsara	915
Gaya	756
Kiul	943
Sone East Bank	1,108

(b) The building of a tea stall at Sone East Bank was postponed for paucity of funds. The vendor did not build a stall.

(c) The contract was terminated on the area system, referred to in my reply to part (i) of question No. 24, being introduced.

Question No. 27.—(a) The new contractors have local managerial staff in charge at stations and it is not necessary for them personally to attend at the stalls. The old contractors were allowed to have servants to vend and were only punished if no one attended to carry out the contract for any particular time or train.

(b) The total number of hawkers under the present arrangement is practically the same as under the previous arrangement. All hawkers are medically examined prior to their appointment and periodically thereafter.

Question No. 28.—The reply to the first two parts of the question is in the affirmative. The Divisional Superintendent, Dinapore, is the competent authority to deal with such matters concerning his division. Complaints against vending arrangements have always received the serious attention of the railway authorities. Enquiries made by the Divisional Superintendent showed that most of the recent complaints were engineered by interested parties chiefly the old vendors and were unfounded.

Question No. 29.—No.

Question No. 30.—The Agent states that the rates are the same as those prevailing in the local markets. In the circumstances Government see no reason to call for copies of the tariffs of each station. But if the Honourable Member desires to have the tariff for any particular station, I will obtain a copy for him.

Question No. 31.—(a) Yes.

(b) No. The District Medical Officer reported that a man had died though, in his opinion, not of cholera. At a subsequent enquiry this opinion was confirmed.

(c) (i) Yes.

(c) (ii) The evidence of the witnesses examined, particularly of the two outside doctors, who attended the deceased vendor during his last illness proved that the man did not die of cholera but of gastro-enteritis as a result of heat exhaustion.

(c) (iii) (a) The foodstuff was not destroyed because, as already stated in reply to part (c) (ii) the man did not die of cholera.

(c) (iii) (b) The railway sanitary staff carried out the orders of disinfection of the place in which the case of gastro-enteritis occurred.

Question No. 32.—(a) The Agent, East Indian Railway, reports that Messrs. Ballav Dass and Iswar Dass held refreshment room contracts on the Howrah division and were given the contracts for the Moghalsera and Gaya areas on the Dinapore division. They were appointed by Mr. Marriott at Howrah and also in the Dinapore Division, because of their suitability and the satisfactory recommendations in regard to their work on the Howrah division.

Applications were called for.

(b) The question of offers made does not arise, in view of my reply to part (ii) of question No. 24.

ELECTION OF SIX NON-OFFICIAL MEMBERS TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS

THE HONOURABLE THE PRESIDENT: With reference to the announcement that I made on the 21st February, regarding the election of non-official Members to the Central Advisory Council for Railways, I have to inform the House that the Honourable Mr. Mohammad Yamin Khan and the Honourable Sardar Shri Jagannath Maharaj Pandit have since withdrawn their candidature for election to this Council. There now remain the following six candidates for the six vacancies and I declare them to be duly elected.

The Honourable Diwan Bahadur G. Narayanaswami Chetty.

The Honourable Sir David Devadoss.

The Honourable Khan Bahadur Syed Abdul Hafeez.

The Honourable Saiyed Mohamed Padshah Sahib Bahadur.

The Honourable Sardar Buta Singh.

The Honourable Mr. S. D. Gladstone.

RESOLUTION RE IMPORTS OF FOREIGN RICE.

THE HONOURABLE THE PRESIDENT: The Honourable Diwan Bahadur Narayanaswami Chetty will now resume the debate on his Resolution moved last Monday.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan): Sir, the Resolution which I moved the other day runs as follows :

"This Council recommends to the Governor General in Council to take immediate steps to prevent the import of foreign rice into this country and to adopt other substantial measures to improve the present low price of rice, with a view to alleviate the lot of the agriculturists."

I do not think many words of mine are necessary to commend this Resolution to the acceptance of this House. The Resolution is very simple. It requests the Government to take substantial measures which would raise the present low level prices obtaining in this country and thus to better the lot of the agriculturists.

I may at the outset state that a Resolution similar to mine has been already carried in the Lower House and so it is unnecessary on our part to discuss it thoroughly here.

The province which I have the honour to represent in this House, viz., the Madras presidency, is purely an agricultural province and 90 per cent. of the population are engaged in cultivation and the staple food for our people is rice; so that if there is any fluctuation in the price of rice it will correspondingly affect the purchasing power of the agriculturist. The price of paddy continued to increase until the year 1927-28; but after that year it has continued to decrease rather quickly, so that the present price of paddy is almost half if not one-third or what it was before. The reason for this fall in the price of rice may be partly due to the world wide depression, but I submit that the main reason is due to the heavy import of foreign rice, especially from Siam and Indo-China, into India. This will be apparent to every one here if I quote the total quantity of rice imported into India from the year 1932 to 1934. In 1932 the quantity of rice imported into India was 30,506 tons; in 1933 it was 34,419 tons and in 1934 it went up to 285,415 tons, that is more than nine times the quantity of rice imported in 1932. This everyone must admit is an abnormal increase and unless this import is checked effectively it will continue to increase to the detriment of rice-growers in India.

It may be said that Siam and Indo-China export only broken rice and as such they do not compete with the better quality of rice grown in India. But actual facts show that foreign rice has really decreased the price of local rice. As foreign rice is sold at a very cheap price it has ousted the better quality of rice grown in Southern India and naturally the agriculturists who grow only superior rice are very hard hit. In this connection permit me to quote some of the remarks made in the *Trade Review* about Siamese imports:

"This position of increased imports into India concurrently with a record harvest in Burma appears at first sight unusual; but to some extent it can be explained by the fact that the declining prices gave an inducement to foreign growers to get rid of their stock as quickly as possible."

It will be seen from the above remarks that in order to get rid of their surplus stocks of rice, the Siamese import their rice into India at a price which is not only below cost price but also below the cost of production of rice in our country. Naturally the rice-growers in India are unable to compete with this almost annihilating competition and most of the rice grown in India remains unsold and uncared for.

[Diwan Bahadur Narayanaswami Chetty.]

Then, Sir, I wish to state that India is the only one unfortunate country into which foreign rice is being dumped. Japan and the Netherlands Indies have already, I think in 1933-34, restricted the import of Siamese rice into their lands and why should we alone sit quiet without doing something to help the poor agriculturists? In 1933 Japan and Formosa took 105,150 tons of rice from Siam, but after the restriction they have taken only 433 tons of rice; in the Netherlands Indies the import of Siamese rice has come down from 38,119 tons to 2,989 tons during the same period and again this is due to restriction; whereas in India owing to the indifference of the Government of India the import has increased from 9,973 tons to 335,000 tons. Does this not show that the Government of India have been behind other countries in helping our poor agriculturists?

I admit that the Government is not unaware of the sufferings of the cultivators. They have given remissions in land tax though not as much as the people of my province desired.

Sir, it is for the Government of India to find a way by which the foreign competition should effectively be removed. In this connection I might quote the words of the Revenue Member of the Government of Madras. Speaking in the Madras Legislative Council he said:

"This Government had urged in season and out of season and they would urge still on the Government of India the necessity of stopping such an import. He hoped the Government of India would be strongly supported by the presidency's representatives both in the Legislative Assembly and the Council of State, and between them they might get some specific good results."

Sir, recently, only last week—I think it was on Wednesday last—in the Madras Legislative Council, Mr. Rangaswamy Reddiar asked when the Madras Government had addressed the Government of India and how many times the latter had been reminded, about the import of rice into Madras. The Finance Member replied:

"The Government of India were first addressed in the matter in July, 1933. They have since been reminded five times. No final orders have been received."

We on our part have not been keeping quiet. I remember there was a discussion in the Legislative Assembly on this question and some Honourable Members urged the Government of India to take some action and the Member in charge of that subject in the lower House promised to enquire into this matter. But no concrete proposals have as yet come and foreign rice still continues to come into India in large quantities. Now may I ask why the Government should be so indifferent in the treatment of this rice question? When the question of levying an import duty on foreign wheat came before this House some time back the Government took prompt action; but when a similar question regarding rice has now come before us why should they be so disinclined to take quick action. Rice is the premier crop grown in India, and, from the point of view of consumption, it is more important to Indian agriculturists than wheat.

Let me assure the Government that by levying an import duty on foreign rice the consumers will not suffer. It is a well known fact that India grows more rice than is needed for her and with Burma to help her with her excess of rice, there is no fear of our running short of rice. The Government need not also fear about retaliatory measures from other countries. For Siam and Indo-China import jute and opium and as we have a world monopoly of these two products they cannot hit us back.

While the Government have been taking effective steps to safeguard the interests of smaller industries such as textiles, etc., they have not yet taken any steps to promote the agricultural industry which is the mainstay of 90 per cent. of the entire population. The prosperity and contentment of the people for whom the administration is carried on should be the foremost concern of any Government and the success of a Government can only be measured by the relief which they afford to the teeming millions residing in villages.

I therefore plead most earnestly that the Government be pleased to stop the importation of rice. They should also adopt such other suitable measures which would ultimately improve the purchasing power of this commodity. Lastly, I would request Government to bear in mind the plight of the poor cultivators who are being driven to starvation by the abnormal fall in prices and do all they can to promote their well being. I can say that many petty landholders in my province are unable to pay their Government *kist*. It is only with great difficulty—by borrowing—that they can pay. Their position is most pathetic. I cannot describe in words the position of the landlords in Southern India. Sir, I move.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians): Sir, the amendment which stands in my name runs thus:

"That for the original Resolution the following be substituted namely:

"This Council recommends to the Governor General in Council to take immediate steps to impose a reasonable duty on non-Empire rice and paddy imported into India with a view to raising the price level in this country."

Sir, I have given notice of this amendment in order to make it quite clear that we do not want Burma to think that we are working against her. Burma rice is needed in India. We have no objection to that country exporting rice free. But what we want to guard against is non-Empire countries exporting cheap rice into India and thereby lowering the price and making it almost impossible for the agriculturist to meet the cost of raising paddy. Sir, in support of the main Resolution I wish to say a few words. So far back as 18th August, 1934, the Indian Chamber of Commerce, Tuticorin, passed this Resolution:

"The continued imports of Siamese rice and paddy into various parts of this and other presidencies amounting roughly to 140,000 tons have resulted in the fall in prices of local paddy and rice and entails serious hardships on the agricultural population as they have not been able to recoup even the expense for raising the crops and pay *kist* to Government."

Quite recently, I believe on the 16th of this month, the Honourable the Leader of the House, in reply to a question from my Honourable friend Mr. Chetty, stated that the quantity of rice imported into India from Indo-China, Siam and other foreign countries during 1933 totalled 34,412 tons while that in 1934 totalled 395,474 tons, and that the representation of the Madras Government and the steps to be taken in this connection were under the consideration of the Government of India. That statement was made with regard to the quantity of rice imported into India in 1934, but almost every week, large quantities of rice are being imported into the Madras ports and only on the 20th February, the steamship "Woolgar" brought about 2,250 tons of Siamese rice into the Madras harbour. Sir, I take this statement from the *Hindu* of the 20th instant. Now, these quantities of foreign rice are sold very cheap. In August and September the information, which was given to me by a responsible person, was that for a rupee 12 measures of broken rice were sold in Madras, and that rice was said to be better than the Burma rice. The labouring classes and the poor people in the towns buy this cheap

[Sir David Devadoss.]

rice and the result is the price of paddy in the Presidency has fallen considerably. The time was, at least for 15 to 20 years, from 1895 to 1914, the price of paddy was in the neighbourhood of Rs. 10 for what we call a *kottai*, which means 112 Madras measures. Now recently, within the last two or three years, paddy has fallen to Rs. 5 a *kottai*. The cost of raising paddy is more than the cultivator gets by selling it. If the price of paddy were Rs. 9 or Rs. 10, it would just cover the cost of raising it and the payment of Government revenue leaving a small margin of profit. The fall in prices has affected the revenues considerably. With your permission I will quote a few sentences from the speech of the Revenue Member of Madras.

THE HONOURABLE THE PRESIDENT: Order, order. It is not parliamentary practice to read from newspapers.

THE HONOURABLE SIR DAVID DEVADOSS: Then I will only give the substance of it. The loss of revenue to Government during the four *fasals* 42, 43, 44, 45 was Rs. 2,05.20 lakhs. This was mainly due to the fall in prices of foodgrains, especially rice. Quite recently, during the session in January, a Resolution was carried in the Legislative Council in Madras that the land revenue should be reduced by 33½ per cent. Of course that was too much and the Government could not accept that. But all this shows that the price of paddy is such that people are not able to meet even the cost of raising it, and the result is a good deal of distress in rural areas. If you will pardon a personal allusion, I myself tried to raise paddy last year on my lands, just to see how it would work, and the price the crop fetched did not equal the cost of raising it, and only the other day I had a letter from my agent that the price obtained was not sufficient to meet the Government revenues. This is apart from the agent's and servants' salaries, which have in addition to be borne by the landlord.

Sir, Madras is almost a purely agricultural province. It raises a very large quantity of paddy, the largest of any province in India. Quite recently we have had the Mettur project, which is expected to irrigate thousands and thousands of acres. Some 30 years ago we had the Periyar project, which enabled the cultivation of some 150,000 acres. That being so it is very hard that the province should be made to suffer for no fault of its own. It might be said that the lowering of the price of paddy must benefit the agricultural and poorer classes. That is not so. When the agriculturist is not able to get a margin by raising paddy, he does not raise it, with the result that the agricultural labourer suffers. The time was when agricultural labourers were paid at the rate of four to five annas a day for a man and two to three annas for a woman. Now the cost is about ten to twelve annas for a man and five to six annas for a woman. That being so, it is impossible for any one to raise paddy and get a reasonable return for his outlay. And the land revenue assessment in Madras, Sir, is very heavy. It is well known that practically 90 per cent. of the Madras presidency is under the *ryotwari* system, and in places where the irrigation is with the help of water from channels and rivers, it is as much as Rs. 22 an acre, as in the Tinnevelly and adjacent districts and in the Northern Sircars also. If the situation is not improved Madras will suffer very much indeed. The Government will lose a good deal of its revenue and the people will undergo much suffering. It might be said that the prices are looking up. No doubt owing to the failure of the south-west monsoon in the months of August and September prices rose to Rs. 8 and Rs. 9 a *kottai* in some districts. But that was only for a very, very short time. The Revenue Member stated in the local Legislative Council

only the other day that though they thought the prices were going to recover, prices did not in fact recover, it was only a temporary rise due to the failure of the monsoon, and prices have gone back almost to the previous level.

The broken rice is said to be, as I said, much better than Burma rice, and if unrestricted imports are allowed to go on I am sure Burma will lose its market, at least in Madras. These considerations must weigh with the Government. It is not necessary for me to labour the point. I would ask the Government to do as much as possible. Representations have been made more than once by the Madras Government to the Government of India to take steps in the matter. Well, it is a far cry no doubt from Madras to Delhi. People nearer to Delhi are able to get what they want, but Madras people are more law-abiding and quiet and do everything constitutionally, with the result that they are treated like the elder brother in the parable of the prodigal son: "You will get everything, but you must wait". That being so, I hope the Government will now see its way to help Madras by imposing such duty as they think proper to shut out the foreign rice coming from non-Empire countries, so that the price of rice which is the mainstay of the people of Madras may not be prejudicially affected.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Sir, I rise to move the amendment standing in my name, namely:

"That after the word 'country' the words 'by imposing prohibitive import duties' be inserted."

In the first place, Sir, I wish to thank the Honourable Diwan Bahadur Narayanaswami Chetty for coming forward to move this Resolution. It is a characteristic of the Honourable Member that he very seldom, if ever, sees any fault in the Government, so that when he sees a fault it must be high time for Government to bestir itself. I was surprised that the Honourable Member found some fault with the Government! But I find, Sir, that the original has been solved; it is the provincial Government of Madras which has been begging the Madras Members on.

THE HONOURABLE SIR DAVID DEVADOSS: No, no.

THE HONOURABLE MR. HOSSAIN IMAM: The Madras Government has taken up a very strong position in this matter and they have represented to the Government of India their troubles. From what I have been able to find, the Government of India is having recourse to the usual tactics of delaying matters till something turns up. The matter has become too bad for any delaying tactics, and I hope they are now alive to the situation, and realise that it is time that they did something.

Coming to the merits of the three propositions before the House, the Honourable the mover has given a very non-committal sort of Resolution, but I must admit that it is an advance on the amendment which Sir David Devadoss moved. The claim of the Honourable Mr. Chetty is to take immediate steps to prevent the import of foreign rice into this country. That is the first proposition which I wish to stress. It is a well known fact that rice is the mainstay of more of India's population than any other two items of production of India. The statistics of rice production show that during the last year for which I have figures, 1933-34, the area was 82 million acres and the next competitor which is wheat is less than half this acreage. That

[Mr. Hossain Imam.]

shows the great extent to which India is dependent on rice production. We are told, Sir, that India proper is on balance an importer. That, Sir, is no reason why steps should not be taken to make it self-sufficient. We know that industries which are not even supplying a tenth part of India's requirements are being safeguarded; they are being given protection in the hope that at some future date they might be able to supply India's requirements. Is it not strange that the greatest industry of India, the production of rice, should be allowed to deteriorate and is left to take care of itself even though such a phenomenal fall in price has taken place? I would illustrate my point about the fall in prices by saying that the 1933 price of rice as compared to the price of rice in 1905 to 1914 is 54 per cent. of what it was in those years, whereas wheat price is 73 per cent. of the price it used to command at that time. If we take 1920 to 1929 for our criterion we find that the price of wheat is 50 per cent. of that figure in the year 1933 and in the year 1933 the price of rice was 39 per cent. of the price which it commanded in those years. At the present moment we are told that the price which rice commands is barely 47 per cent. of the price which it used to command in 1929-30. That goes to show that prices have fallen very steeply in rice, whereas the wheat price has been maintained. The question is how has wheat price been maintained? It has been maintained simply by the action of the Government which has imposed a customs duty on the import of wheat. The result is that there is no longer foreign cheap dumping of wheat in India. The Indian growers have been able to command and get their own price. That price is not in any way unfair to the consuming masses. It is apparent from the fact, which came before us during the discussion of the Ottawa Report, that during the second half of last year an export trade had started in Indian wheat. Therefore, Sir, the stabilisation of the prices at an economic level does not increase the cost too high for the other consumers. There is this factor that if we produce more than our requirements we have to find a market outside and the price which our commodities command in outside markets after a time comes to dictate the price inside the country too. Therefore, Sir, Government need not be afraid that by imposing a prohibitive import duty as I say on rice they will be making the position of India any worse. I do not know the system which prevails in other parts of the country, but in my province, Bihar, as is well known to my official colleagues who come from there, the system is that labourers on the land usually get payment in kind. Very few, if any, of the labourers in the villages are paid in money; they are paid in crops, the crops that they grow. The result is that the purchasing power of an enormous amount of people is reduced by reducing this price. May I, Sir, in this connection point out that as far as the area of cultivation of rice goes, we are only second to Bengal and Madras comes about fourth in the list of rice producers. It may be thought that the competition is now confined to Madras and therefore Bihar and Bengal have no need to bestir themselves. It is only because Madras happens to be within easy reach that the peaceful penetration of Siamese rice has begun there. If this thing goes on, and if Government do not take any steps, the day will not be very far off when Bengal and Bihar will be flooded by foreign imported rice.

Now, Sir, I should like to say why I have moved this amendment, in spite of the amendment of Sir David Devadoss. As long as Burma is a part of the Indian Empire we will not make any discrimination between Burma and India. But I am not prepared to say now that whatever happens, whether Burma is separated from us or not, we will always make India the exploiting place for

Burman rice and Burman oil. If Burma wants to separate from us, she should be prepared to consider the possibility of a tariff wall standing between her production and our country. I am not prepared to go as far as Sir David Devadoss has gone—being ready to give preference to the Empire product. By doing so we will be really playing into the hands of those who want to do us a bad turn. My Honourable friend proposes—this is what I understand and if I am wrong I hope he will correct me—he proposed that there should be no duty on Empire products. There are two countries which will probably come in. First and foremost is Burma and the second is perhaps Ceylon. We know that we have an adverse balance of trade with Ceylon. We import more from Ceylon than Ceylon imports from us and as far as Burma is concerned, the position is very heavily weighted against us. They import into India more than double of what we export to them. Is it wise, I say, that we should allow this state of things to remain? Is it wise that we should lose the trump card which we have for seeing that the Indians in Burma are treated fairly, and that full equality is ceded by Burma? By means of his amendment we will be placing ourselves and our people in Burma at the mercy of a Government about which we know nothing. Sir, the plea of the Government that they are inquiring into the matter is rather weak. It did not take them more than six months to decide on the question of the import duty on wheat. Why was that? Was it because Delhi is situated close to the Punjab and the other wheat-growing districts of the United Provinces? And is it because Madras, Burma, Bengal, Bihar, all happen to be far from the imperial cities of Delhi and Simla that no cry at Delhi is heard? What is the difficulty in imposing this import duty? If there was no difficulty in imposing an import duty on wheat, why all this delay about rice? We are told, Sir, that it would involve diplomatic representations and other things. Why, in heaven's name, delay this matter? The fall in rice is much greater than the fall in wheat was when this import duty was imposed. Did you grudge the wheat duty? We say, Sir, that it was a necessary thing to do and the Government was right in doing it. But if the Government did this without any qualms of conscience, why do they feel this difficulty in imposing this duty now? But, Sir, the real reason has come out in the shape of Sir David Devadoss's amendment. That is the real stumbling block. If they were to impose now an import duty on foreign imports of rice, when the Secretary of State separates Burma against the wishes of India and against the wishes of the Burmans, then this duty will be the stumbling block. Burma even now is not able to find a market for all her surplus rice. If this import duty is imposed, then Burma will think twice, thrice, a hundred times, before they accept this scheme of separation. That has been the real cause of keeping this thing in the background. It is not the free will of the Government of India but dictation from Whitehall which is responsible for all this. And in spite of what my Honourable friends may say to the contrary one thing is certain that, whatever they say, they say under orders. They are no more free agents than we are on this side of the House. We are here to voice the opinions of our constituents. They are here to voice the opinions of their masters.

Sir, with these few words, I commend my amendment to the acceptance of the House.

THE HONOURABLE THE PRESIDENT: The discussion will now proceed on the original Resolution as well as the two amendments simultaneously.

THE HONOURABLE MR. J. B. GLASS (Burma Chamber of Commerce): Sir, I rise to support the amendment of my Honourable friend Sir David

[Mr. J. B. Glass.]

Devadoss and I trust the mover of the Resolution, my Honourable friend Diwan Bahadur Narayanaswami Chetty, will also find it possible to accept his amendment.

The subject matter has been under investigation by Government for over a year now and as the replies to certain questions recently given by Government in another place may not yet be generally known in this House I will quote figures here. From them, it would appear clear, that action of the nature now demanded should have been taken early this year but it is not yet too late and I trust there will be no further delay.

The imports into India, from one foreign country alone, chiefly to the Madras presidency, have increased as follows over the last four years :

	Tons.
1930-31	101
1931-32	2,292
1932-33	14,679
1933-34	57,194

The quantities as shown are not large but increase is progressive and as this tendency applies also to non-Empire rice imported from elsewhere, the result has undoubtedly been to depress prices for Indian and Burma rice as the imports have been sold at low prices.

In more striking contrast are certain other figures given in reply to another question covering imports into the Madras presidency during the calendar years 1933 and 1934 which show more clearly the seriousness of the situation.

Imports of rice into the Madras presidency by sea :

	From abroad.		From other Indian ports.	
	In the husk. Tons.	Not in the husk. Tons.	In the husk. Tons.	Not in the husk. Tons.
1933	2	34,200	78,900	529,400
1934	98,200	265,800	76,600	614,800

I understand that the imports of non-Empire rice consisted chiefly of broken rice while in regard to imports of rice from other Indian ports chiefly Burma figures for the year 1934 were approximately :

	Tons.
Cleaned rice	58,000
Broken rice	32,000
Boiled rice	480,000

I would emphasise the broken rice figures, Burma, 32,000 tons; from abroad in the neighbourhood of 265,000 tons.

Other comparative figures given in this House for imports into all-India were :

	1933. Tons.	1934. Tons.
Siam	21,625	280,856
Indo-China	12,579	107,849
Other countries	218	6,769
Total	34,412	395,474

In considering these figures it has to be remembered that India proper is not self-supporting in regard to rice as she is in regard to wheat, indeed she is very far from being in that position as in the last calendar year 1934 she needed to import from Burma some 2½ million tons of rice.

India's population is increasing at the rate of 3½ millions per annum while large areas are being turned to more profitable crops than rice such as sugar-cane and groundnuts.

Burma is able to produce rice and to put it on the market in India proper at a price within the reach of the poorer classes and thereby enables the Indian cultivator in Bengal and Madras to export some of his better grades at higher prices to the extent of about 200,000 tons per annum.

India is the natural economic market for Burma rice as Burma is for Indian manufactured goods and I trust therefore this House will accept and support the amendment of the Honourable Sir David Devadoss.

In regard to Mr. Hossain Imam's amendment to the Resolution I regret that I can only regard this as an impracticable proposition for what will seem, to my Madras friends in particular, obvious reasons, while so far as the Honourable mover is concerned I am left with a suspicion that he regards it as corollary from his earlier Resolution in regard to checking the increase in the population of India.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official) : Sir, I should like to say a few words in support of the position taken up by my esteemed colleagues from Madras and in doing so I should like to correct the impression that seems to exist in certain quarters that we are adopting this attitude because the Government of Madras have taken up the same attitude. That is not the case. We support the Government of Madras on this occasion because the case that the Government of Madras have taken up is a good case.

The broad considerations which should enable the Council to come to a proper decision on this important question can, I venture to say, be very clearly and succinctly stated. This question concerns Madras very particularly and it concerns it very seriously. As has been already pointed out, the price of rice has fallen very low in Madras and there is very grave and widespread discontent among the agricultural population. It will be idle to pretend that the fall in the price of rice has not been caused to a large extent by the same economic factors that have brought about the fall in the prices of other agricultural products. That position must be granted. But it must be remembered that the evil in regard to rice has been very considerably aggravated by an extraneous factor, and it is this factor which we want to control or eradicate. It is well known that India, including Burma, is a very large rice exporting country. It produces not only sufficient rice for home consumption but a considerable surplus for export. Ordinarily, it would be as foolish to think of bringing rice to India as it would be to carry coal to Newcastle. As a matter of fact, till within a few years ago, the import of foreign rice into India was quite nominal. But within the last two years, as the figures quoted by Honourable Members who have spoken before me clearly indicate, there has been a phenomenal rise in the imports of foreign rice. I do not think it is necessary for me to repeat those figures, because the fact is admitted. It stands to commonsense that when we have such a large increase in the supply of a commodity, the market for that commodity must be seriously disturbed and the price of the commodity must fall. That is the main argument in this question.

[Sir Ramunni Menon.]

Now, I would like to approach the question from another point of view. In matters of this kind, the local Government must be presumed to watch the situation carefully and to study the problems that arise from time to time. As a matter of fact, the Madras Government have taken a very grave view of the situation and have made repeated representations to the Government of India. As far as we are aware, no action has been taken by the Government of India. When I say that no action has been taken, I mean that no action of a remedial kind has so far been taken. I would also like to mention another circumstance which should weigh with us. There was a Conference, known as the Crop Planning Conference which met at Simla in June last. That Conference included among its members a very large number of experts. That Conference went into the question of the production of and trade in rice in India and after full consideration it made a recommendation that the Government should levy an import duty on rice and paddy. I am not particularly concerned now with the amount of the duty that it recommended.

THE HONOURABLE MR. HOSSAIN IMAM: What was the amount?

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON: I believe it was Rs. 1-4-0 per maund on rice and 15 annas on paddy. That is a minor question for the moment. These three considerations are, in my opinion, sufficient for Honourable Members of this Council to decide that some action is required and that it should be taken by the Government of India now.

With regard to the particular action that the Government should take, I am bound to say that a decision on such an important matter can only be arrived at after giving full consideration to questions of policy and a fuller consideration to the details of the particular problem in regard to rice than we as a Council shall find it convenient to give. Personally, I would leave that matter to be decided by the Government of India. There are various possibilities. There is, for example, the method of absolute prohibition of import of foreign rice. There is the method of import duty, or we can impose a quota system. As to which of these methods is the appropriate method in this case, I personally would leave the Government of India to decide. But I think we have made out a very clear case that some action is urgently called for, and I can only trust that the Government of India will not hesitate to take action and will not delay the matter any longer.

THE HONOURABLE MR. P. C. D. CHARI (Burma: General): Sir, it is well known that Burma, the province which I have the honour to represent, is producing double the quantity of rice which she needs for her own consumption. Burma produces from seven to eight million tons of rice and the exportable surplus in a year is something like three or four million tons. Burma being a province of India, she is most favourably placed when compared to other rival rice-producing countries, namely, Indo-China and Siam. Till very recently, on account of Burma's position as a province of India, there was no serious competition at all. In fact, we could hardly call it competition. Small quantities of rice were coming in from foreign countries. But, in recent years, especially during the last year, the import of Siamese rice into the Madras presidency has produced a very serious condition of affairs. Sir David Devadoss has graphically brought out the difficulties to which the Madras cultivator has been put by the import of Siamese rice. Last year the position was so serious that the Tuticorin Chamber of Commerce and the other

merchants in Southern India petitioned the Government of India to take immediate steps. I tried in my own way to bring it to the notice of the Government of India to see that some effective steps were immediately taken. But unfortunately, the Madras Members and Members from other rice-producing areas were not fortunate enough to have the ear of the Government of India. They are not so fortunate as the wheat-producing provinces. In the case of wheat, as has been pointed out by previous speakers, immediate steps were taken to prevent the serious competition of foreign wheat. But in the case of rice, the position has been allowed to deteriorate in spite of the serious plight in which the rice cultivators in Madras and other places are placed. We have already heard the figures of imports of rice into the Madras presidency from foreign parts. It will be clear from the figures which my Honourable friend Mr. Glass has quoted that whereas we imported from abroad in 1933 only two tons, in 1934 we imported foreign rice in husks amounting to 98,260 tons, and rice not in the husk, 34,200 tons in 1933, whereas in 1934 it was 265,800 tons. This will show how serious became the competition of Siamese rice within the period of one year. The net result is that Burma is faced with very serious competition. I am told that broken rice which goes mainly to the Madras presidency is eaten not only by the poorer classes, whose staple food it is, but that it is also used largely

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by the middle and upper classes for making rice cakes and other delicacies. If this state of things is allowed to continue, Siamese rice, being superior and cheaper than Burma rice, will lose the Indian market which, as my Honourable friend Mr. Glass has put it, is her natural market. It may be said that in view of these things Burma might very well restrict her rice production. But the trouble is that it is not possible for Burma owing to climatic conditions to substitute any alternative crop in the rice-growing areas. The only alternative crop is sugarcane and it has been found impossible to extend the cultivation of sugarcane to more than 100,000 acres even under the most favourable conditions. So the rice-producing area must continue to produce rice, and unless this rice can be sold at an economic price Burma will be seriously handicapped. I am not going into the question of what is going to happen in the event of the separation of Burma. The main Resolution or any of the amendments will equally serve the purpose. What is necessary is that there should be a check on the unrestricted import of foreign rice into India, and whether you call it "foreign" or "non-Empire" rice, it comes to the same thing, because Burma is a part of India at present, whatever the position may be in the future. The main factor in the situation is that the other markets for Burma rice, namely, China, Ceylon and Malaya and the far eastern ports, which have hitherto taken a large quantity of Burma rice, are now producing rice themselves, and these markets have been contracting, so that the world position of rice has been steadily deteriorating from year to year. Unless therefore immediate steps are taken the plight of the agriculturist will grow worse and worse. Even now their plight is very miserable indeed. The Rice Planning Conference I find have gone very carefully into the matter and have suggested some remedies. Their main recommendation is for the better marketing of the produce in the inter-provincial markets especially. I believe the Agricultural Research Council is taking effective steps to give effect to this recommendation. Then another suggestion of the Crop Planning Conference was that the export duty on rice may be removed as soon as financial circumstances admit. I would urge upon the Government to do this as soon as circumstances permit. A third and very good recommendation which the Conference made was that the Government of India should take early steps to negotiate with Malaya and Ceylon to give preference to Indian rice, including rice from Burma. If that is done we would have a

[Mr. P. C. D. Chari.]

very good market in both Ceylon and Malaya. One other recommendation which the Crop Planning Conference made I would urge upon the Government to consider it seriously with a view to giving effect to it. They recommended a duty of Rs. 1-4-0 per maund on foreign rice and 15 annas per maund on foreign paddy. I am not particular as to the quantum of duty mentioned. I would only urge a reasonable measure of protection by the imposition of a reasonable rate of duty on foreign or non-Empire rice imported into India. That would greatly help this great agricultural industry of India.

Sir, I heartily support both the Resolution and the amendment.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): From the facts recounted by the Honourable mover, Diwan Bahadur Narayanaswami Chetty, and the figures he quoted in support of his suggestion, it is perfectly obvious that the situation in Madras regarding the rice market is extremely serious and calls for urgent measures. It is clear also from his speech how this situation developed only recently about a year and a half ago and how so far the Government of India have failed to attempt to improve the conditions in Madras. It is true that long before these foreign imports had assumed alarming proportions, the agriculturists in Madras, as in other parts of India had been hard hit by the depression which had brought down considerably the prices of every primary commodity. But the situation was extremely intensified and aggravated by something which happened recently. The countries of Siam and Indo-China, which had been importing rice to India in small quantities for three or four years, all at once increased the volume of the imports, with the result that the market was glutted, particularly with a kind of rice which can compete very successfully with the better class of rice in Madras. The result was that the agriculturist, who had already been forced to part with his produce at most uneconomic prices, has now been obliged to keep back large stocks of his produce, not being in a position to find sale for a considerable portion of his crops. It would be true to say that this increase in foreign export has proved the proverbial last straw on the camel's back. Land which had already ceased to be a paying proposition has now become a source of endless misery and suffering to the landholder. It was in view of this fact that the Madras Government during the past three years granted remissions in the matter of land assessment, and this relief was very much needed in Madras inasmuch as the assessment of land in Madras is much heavier than in most other parts of India. This remission on the whole amounted to about Rs. 180 lakhs. Though it made a considerable inroad on the income of the Government from land tax, it was only a drop in the ocean considering the situation that had arisen among the rice cultivators in Madras. The plight of the landholder in Madras is so terrible that unless substantial relief is given to him at once, he is bound to be ruined altogether and there does not seem much prospect so far as the local Government is concerned inasmuch as they have recently announced their inability to put into effect the Resolution passed by the local Legislature requesting the Government to grant remission of land tax to the extent of 33½ per cent. It is therefore highly necessary to take necessary steps as recommended in the Resolution. In taking measures to afford this relief we have to see what precisely should be the direction in which the protection has got to be given, whether we should impose a duty on all foreign rice and all rice that comes from other countries, whether in this we should also include the rice that Burma exports into India. Sir, in deciding this question I am of opinion that we should not allow ourselves to be influenced by any extraneous consideration.

Whatever may be our views on the question of the separation of Burma, we ought not to allow ourselves to be in the least influenced in coming to a decision on a matter which is purely economic. Political issues like the advisability or otherwise of separation should be kept entirely apart. Sir, I would not for a moment hesitate to accept the duty upon Burma rice also if I had in the least been convinced that the imports that we get from Burma have anything to do with the situation that has now developed in Madras. We know that for more than 30 years Burma has been exporting rice to India. The kind of rice we get from Burma is such that it is a variety by itself, so that a section of the population at least in Madras have got accustomed to using that kind of rice. Since these imports have been coming into this country for more than 30 years, the prices of Burmese rice and of the indigenous rice have come to adjust themselves, so that any recent deterioration that we find in the rice market at least in my province is not due to rice we import from Burma. When such are the facts, I do not see any justification in trying to keep out the rice that we get from Burma, especially in view of the fact that Madras does not grow enough rice for her internal requirements. But, as my Honourable friend Mr. Hossain Imam has observed, the fact that Madras, for the matter of that India, is not self-sufficing in the matter of rice production should not go to deter the Government from taking prohibitive steps in regard to such imports as really go to bring down very much the price of the agricultural product in the country. The fact that the Government have not hesitated to grant this kind of protection even to industries which do not supply even a very small part of the requirements of the country makes it quite just that the Government should not hesitate to grant protection to an industry which is the main industry of the country. I am glad to find from the reply given on behalf of the Government in the Legislative Assembly the other day that it is clear that the Government have at long last come to realise that these foreign imports from Siam and Indo-China are not harmless. They have come to realise that at least in one particular direction they are disastrous to the interests of the agriculturist. May we hope, Sir, that having realised this and the direction in which it works mischief, the Government will proceed at once to check this mischief without any further delay, taking the necessary measures which are required for the purpose. As regards the competition of rice, I beg to submit that this competition which we have with the better class of Madras rice is not the only mischief that we see. Indeed it affects directly the better class of rice. But, Sir, it is obvious, that when one class of rice, especially the better class is brought down in value, the inferior class cannot maintain its level of price. It is bound to be affected also by the reaction of the lower prices prevailing in the market for the better class of rice. I would therefore request the Government to try and take steps immediately to prevent Siam and Indo-China sending such large amounts of rice into this country.

(The Honourable Mr. Y. Ranganayakalu Naidu rose in his place.)

THE HONOURABLE THE PRESIDENT: The Madras view has been very strongly pressed before the House. Have you anything important to say?

*THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU (Madras: Non-Muhammadan): Sir, I will only take two or three minutes. Today ryots are in a difficult position on account of the continued depression. At present ryots are unable to recover their cultivation expenses and Government *kist* besides their maintenance and discharge of debts. It is better to prevent

*Speech not corrected by the Honourable Member.

[Mr. Y. Ranganayakalu Naidu.]

the import of paddy and rice from foreign countries or to impose a reasonable duty at the rate of Re. 1 per bag of two maunds and Rs. 1-8-0 per bag of rice which the Government of Ceylon imposes on rice and paddy exported from India. Sir, nowadays ryots are selling their cattle and other articles for their *kist*. I whole-heartedly support the Honourable Diwan Bahadur Narayanaswami Chetty's Resolution and the amendment of the Honourable Sir David Devadoss.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, the problem which has given rise to the Resolution of my Honourable friend, the Diwan Bahadur, is one that came into special prominence about a year ago. In general terms this problem consisted in a very remarkable fall in the price of rice at the same time as there was an exceptional increase in the imports of rice from foreign countries. A simple diagnosis of the problem would have been that the fall in the price of rice was due entirely to that increase in the imports of rice from abroad and that, I think, has been the diagnosis which has been made by some at least of the Honourable Members who have spoken today. I would ask this Honourable House to consider whether it is reasonable to conclude that imports amounting to some 30,000 tons of rice should have dragged down by as much as 40 to 50 per cent. the price of the 30 million tons of rice which is produced in India and Burma. I think, Sir, that that is an untenable proposition. The causes which have led to the fall in primary commodities in general since the autumn of 1929, must have contributed in by far the greatest measure towards the fall in the price of rice. If Honourable Members will bear with me I shall quote the percentage fall in the prices of various primary commodities between 1929 and 1934—rice 52, wheat 49, oilseeds 55, raw jute 53, raw cotton 51. Unless on the extraordinary theory that all of these commodities have been affected by these 30,000 tons of rice from Siam—

THE HONOURABLE MR. J. B. GLASS: 395,000 tons.

THE HONOURABLE MR. T. A. STEWART: The figures I am quoting refer to March, 1934.

THE HONOURABLE MR. J. B. GLASS: We prefer you to be up to date.

THE HONOURABLE MR. T. A. STEWART: I am prepared for that also if necessary. As I was saying I think it is reasonable to assume that the major part of the fall in the price of rice has been due to general causes and not to particular ones. I might in corroboration of that theory point out that whereas rice prices in Madras—and it is in Madras that imports are coming in—that whereas rice prices in Madras have fallen by 40 per cent. since 1932, rice prices in Calcutta and in Rangoon have actually appreciated between December, 1932 and December, 1934. I do not mean to suggest for a moment that there is no problem. It is a problem however that is a Madras problem and it was in order to discover the precise nature of that problem that the Government of India and the Government of Madras independently placed officers on special duty to investigate the problem. Mr. Srinivasan, an officer of the Madras Government, was given somewhat wide terms of reference and he has investigated the Madras rice problem in all its aspects. We are blamed for having taken no action in spite of representations from the Government of Madras which were made so long ago as the middle of 1933. Well, Sir, I do

not know whether the Government of Madras were completely aware of the nature of their own problem. Presumably they were not if they appointed a special officer to investigate that problem. But in any case what I want to explain is that the report of that special officer was placed in our hands two months ago, in the month of December, so perhaps we are not guilty of so much delay as has been assumed. Our own officer, Mr. Vaidyanathan, the statistician of the Imperial Council of Agricultural Research, was sent to Madras to investigate particularly the reaction on prices in Madras of imports of rice from Siam and French Indo-China.

THE HONOURABLE MR. P. C. D. CHARI: At the beginning of the Simla session last year?

THE HONOURABLE MR. T. A. STEWART: I think it was then or thereabouts. But in any case, the information which Mr. Vaidyanathan acquired in Madras was somewhat perplexing. For example, the arrival of a large shipload of rice in Madras was accompanied by a significant increase in the prices of local rice. There was, as a matter of fact, in July last a general rising tendency in Madras. There were also anticipations of food scarcity. This, to some extent I believe, has been realised, but in any case in July-August last it certainly did appear that the situation was adjusting itself and that in the circumstances that then prevailed it would have required the strongest justification to raise prices at a time when scarcity was anticipated. Since August the situation has continued to receive the most careful consideration. An attempt has been made to isolate the problem. It obviously was not so simple a problem as had been believed and as a result of the information we have received from Mr. Vaidyanathan and from Mr. Srinivasan's report and from fortnightly records of prices which have been kept, the problem now presents itself not as one of the competition of all imported rice with all indigenous rice. The problem in insolation appears to us to be this, that the imports of a very good, superior broken rice from Siam are in active competition with certain superior grades of rice produced in Madras. That, roughly speaking, is the problem as we see it. Now, emerging from the Resolution that has been moved today and the two amendments to that Resolution, there are four solutions suggested. Firstly, that a prohibitive duty should be imposed on all rice imported into India. Secondly, that a reasonable duty should be imposed on all non-Empire rice imported into India. Thirdly, in more general terms the Honourable Diwan Bahadur urges that steps be taken to prevent the import of foreign rice into India. And fourthly, the substantive Resolution asks that other measures be taken to increase rice prices.

The amendment of the Honourable Mr. Hossain Imam is, I am afraid, one that I could not accept. It is based, I think, in the first place on a theory that this problem is an all-India one. I hope I have demonstrated that the problem is peculiarly one of Madras. But even if it were to be admitted that the imposition of a duty was the proper solution, I should still object to his amendment on the ground that he proposes a prohibitive duty.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of personal explanation, Sir. I am prepared to accept the limit as stated by Sir Ramunni Menon, that is, the duty recommended by the Agricultural Crop Planning Conference—

THE HONOURABLE THE PRESIDENT: Order, order. That is not the point before the Council now. Will you please resume your seat?

THE HONOURABLE MR. T. A. STEWART: Prohibitive duties or prohibition constitute a double-edged weapon. I cannot minimize the dangers that India would be likely to experience should retaliation be indulged in by the other parties likely to be affected by prohibitive duties or prohibition. It may be that there is not very much to be anticipated from retaliation by Siam of itself or by French Indo-China by itself, though I do not think that we can afford to throw away the Rs. 30 or Rs. 40 lakhs of trade balance we have with these countries. But I would point out that prohibition against French Indo-China might well be accompanied by retaliation on the part of France who is as solicitous of the interests of her colonies as any other country. If Honourable Members will remember that our favourable balance of trade with France amounts to as much as Rs. 5 crores, if they will remember that she is the chief market for Madras groundnuts, I think that most Honourable Members who speak in the interests of Madras today will agree with me that we have a stake that it would be very foolish for us to endanger. For that reason, I cannot accept any suggestion that a prohibitive duty should be imposed. The Honourable Sir David Devadoss, as he has admitted, has the interests of Burma at heart. In order to secure the continuance of the favourable treatment of Burma rice—I do not think I misunderstand the Honourable Member—he has suggested that the duty should be applicable to non-Empire rice only. I do not wish now to enter into any discussion as to the merits or demerits of imperial preference as a fiscal policy. I would merely say that at the present moment imperial preference is not the fiscal policy of the Government of India. (Hear, hear.) It is perfectly true, Sir, that certain members of the Commonwealth enjoy preferences in India and we in return enjoy preferences elsewhere. These preferences have been negotiated on the basis of mutual concession. This proposition, however, is a somewhat wider one, and it is one which, without a very much fuller consideration, the Government of India could not at the present moment accept. May I give you one practical implication of the acceptance of the Resolution in its present form? Australia, Sir, imposes an import duty on Indian rice. Is this Honourable House prepared without seeking any *quid pro quo* to admit Australian rice into India?

THE HONOURABLE MR. HOSSAIN IMAM: No.

THE HONOURABLE MR. T. A. STEWART: For that reason, Sir, I regret that I must oppose the Honourable Sir David Devadoss's amendment in the form in which it stands.

May I turn now to the fourth of the suggestions that have been made for the improvement of the condition of rice-growers in India, namely, that steps other than tariff action or prohibition should be taken? As I see it, there are two methods by which such improved conditions could be secured, *viz.*, by obtaining new markets or by improving existing markets for Indian rice. These markets may be external markets or internal markets. So far as external markets are concerned, we certainly have made a start to endeavour to secure better marketing conditions for our rice. Under the Ottawa Agreement, we secured a preference in the United Kingdom. We have under consideration the question of securing preference in Malaya and in Ceylon. The more important of those markets of course is Ceylon. Honourable Members are no doubt aware that if we are anxious to secure favourable conditions in Ceylon for our rice, Ceylon is just as anxious, if not more anxious, to secure favourable conditions in India for her cocoanuts and coconut products. Now,

that requires a very delicate balancing of interests, because there is one thing of which I am quite certain and that is, that any proposal to give preferential or more preferential treatment to Ceylon cocoanuts than they receive at present will be most strongly opposed by many of my Madras friends. (Hear, hear.) Another method by which we can do something for the rice-grower is by research to enable him to develop better strains that will receive more favourable acceptance in world markets. The Imperial Council of Agricultural Research has succeeded, in co-operation with growers in Burma, in producing a strain of paddy which commands a premium of 20 per cent. over the ordinary crop. Researches have not been confined to Burma. In Western Bengal there are two experimental stations which are seeking to develop the strain of Patna rice which also is a variety which is generally exported to European markets. In all, the Imperial Council of Agricultural Research is carrying out experiments in, I think, seven provinces and on rice alone is expending Rs. 9 lakhs a year. In order to facilitate the marketing of rice in India, the Government of India have adopted the recommendations of the Agricultural Commission and as Honourable Members are now aware, there is under development a scheme for internal marketing and grading of crops. Rice will share in that with others.

Now, Sir, as I have explained, the Government of India have been at some considerable pains to ascertain what is this problem of rice in Madras. They believe that they have isolated that problem, and that they are now aware of what it is. There are, as the Honourable Sir Ramunni Menon said, various ways of dealing with it. The Government of India have at this moment under their active and immediate consideration the steps which should be taken and in view of that assurance, I would ask the Honourable Member not to press his Resolution.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Sir, though I do not agree with many points raised by my friend the Honourable Mr. Stewart in regard to not taking up this matter earlier, I am glad to hear from him that the Government of India propose to take immediate steps in the matter. Sir, in view of the fact that the Madras Government since July, 1933 have been urging on the Government of India to take action, the inaction of the Government of India seems to me to be very disappointing. It was not just a Resolution of a local Council or of the Assembly, but the recommendation of a local Government who realise the difficulties of the people and say that unless some remedy is applied the condition of the agriculturists will become very bad. That the Government of India should delay in the face of that is a very grave disappointment. Anyhow, as the Honourable Mr. Stewart has said just now that the matter is receiving the immediate consideration of the Government of India, I shall not press the Motion.

THE HONOURABLE THE PRESIDENT: Is it your pleasure that leave be given to the Honourable Member to withdraw his Resolution?

(Several Honourable Members expressed dissent.)

THE HONOURABLE THE PRESIDENT: Resolution moved:

“That this Council recommends to the Governor General in Council to take immediate steps to prevent the import of foreign rice into this country and to adopt other substantial measures to improve the present low prices of rice, with a view to alleviate the lot of the agriculturists”.

[The President.]

to which an amendment has been moved :

"That for the original Resolution the following be substituted :

'This Council recommends to the Governor General in Council to take immediate steps to impose a reasonable duty on non-Empire rice and paddy imported into India with a view to raising the price level in this country.'

The Question is :

"That that amendment be made."

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to take immediate steps to prevent the import of foreign rice into this country and to adopt other substantial measures to improve the present low prices of rice, with a view to alleviate the lot of the agriculturists",

to which an amendment has been moved :

"That after the word 'country' the words 'by imposing prohibitive import duties' be inserted."

The Question is :

"That that amendment be made."

The Council divided :

AYES—11.

Buta Singh, The Honourable Sardar.	Hossain Imam, The Honourable Mr.
Chari, The Honourable Mr. P. C. D.	Kalika, The Honourable Mr. V. V.
Ghosh Maulik, The Honourable Mr.	Mehrotra, The Honourable Rai Bahadur
Satyendra Chandra.	Lala Mathura Prasad.
Habibullah of Dacca, The Honourable	Muhammad Hussain, The Honourable Khan
Nawab Khwaja.	Bahadur Mian Ali Baksh.
Halim, The Honourable Khan Bahadur Hafiz	Sapru, The Honourable Mr. P. N.
Muhammad.	Suhrawardy, The Honourable Mr. Mahmood.

NOES—28.

Akbar Khan, the Honourable Lieutenant-Colonel Sir Mahomed.	Mitchell, The Honourable Mr. D. G.
Charanjit Singh, The Honourable Raja.	Mitha, The Honourable Sir Suleman Cassim Haji.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Commander-in-Chief, His Excellency the.	Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Devadoss, The Honourable Sir David.	Philip, The Honourable Mr. C. L.
Ghosal, The Honourable Mr. Jyotsnanath.	Russell, The Honourable Sir Guthrie.
Gladstone, The Honourable Mr. S. D.	Spence, The Honourable Mr. G. H.
Glass, The Honourable Mr. J. B.	Stewart, The Honourable Mr. F. W.
Glancy, The Honourable Sir Bertrand.	Stewart, The Honourable Mr. T. A.
Hafeez, The Honourable Khan Bahadur Syed Abdul.	Tallents, The Honourable Mr. P. C.
Hallett, The Honourable Mr. M. G.	Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Johnson, The Honourable Mr. J. N. G.	Yamin Khan, The Honourable Mr. Moham-
Menon, The Honourable Diwan Bahadur Sir Ramunni.	mad.
Miller, The Honourable Mr. E.	

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: Resolution moved :

"That this Council recommends to the Governor General in Council to take immediate steps to prevent the import of foreign rice into this country and to adopt other substantial measures to improve the present low prices of rice, with a view to alleviate the lot of the agriculturists".

The Question is :

"That this Resolution be adopted."

The Motion was adopted.

RESOLUTION RE EDUCATION OF THE ELECTORATE, AND PREPARATION OF ELECTORAL ROLLS, ETC.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : May I have your permission, Sir, to make a slight change in the Resolution which I now propose to move. The amended Resolution would read as follows :

"This Council recommends to the Governor General in Council to appoint a Committee to suggest what steps should be taken :

- To educate the electorate.
- To ensure that the electoral rolls are properly prepared.
- To ensure that illiterate voters record their votes without the help of the polling Officer.
- To minimise the chances of personation and corrupt practices in polling".

THE HONOURABLE THE PRESIDENT: Yes.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: At the outset one fact must be made clear that any allusion to the probability of corruption at elections in this country or any references to the protection of the ignorant or inexperienced voter must not be regarded in the least degree as intended to cast a slur on Indian public morals as compared with those of other countries. It is because of the evils that formerly prevailed in the United Kingdom that stress is intended to be laid on the dangers of similar corruption in India.

Now, Sir, discussing the various details of the Resolution, about part (a) I would only submit that my object is that the Government of India should take steps to see that all the important books, such as the Government of India Act or other important literature concerning the public are translated in the various vernacular languages and copies are distributed on a very large scale free. As we all know, Sir, the number of the English-knowing public is very small and the number of those people who read papers regularly is also comparatively small. Therefore I consider that it is the duty of Government to see that all important books are translated and distributed free on a very large scale. I am sure that the Government will agree that the success of a democratic form of government entirely depends upon the interest which the electorate take in the important public affairs and it would not be possible for them to take a real interest in the affairs of the country unless they are educated in this direction. As a matter of fact, normally it should be the duty of political organisations to educate the voters in these matters, but considering the special circumstances prevailing in this country I personally suggest that the Government should undertake this task. They have got machinery in all the provinces as well as at the centre. There is a Director of Information Bureau at the centre and there are similar officers in the provinces. They have

[Raja Ghanzafar Ali Khan.]

got a large staff and I do not think it will require much additional expenditure if they are required to translate these documents and distribute them. Only a short time ago the Punjab Government translated certain extracts from the Joint Parliamentary Committee's Report and distributed them free to the public, but I think this practice should be more regularly followed, and this is what I mean by educating the voters.

The second part concerns the preparation of electoral rolls. In England as far as I know electoral rolls are revised after every six months, while in India the electoral rolls remain in force for three years. The result is that the electoral rolls are not kept quite up to date. Secondly, the work of preparing the electoral rolls is entrusted either to low paid municipal clerks or to the subordinate staff in the Revenue Department, who get practically no remuneration for this most important work, with the result that the electoral rolls are very carelessly prepared. To illustrate my point, I read in the newspapers that His Excellency Lord Willingdon was anxious to record his vote, but when His Excellency the Commander-in-Chief and other Members of the Viceroy's Council went to the polling station to record their votes, His Excellency discovered to his great disappointment that his name was not on the electoral roll. Considering the fact that the qualification of an elector is that he should have a property of Rs. 10,000 or his income should be more than Rs. 2,000 a year, it is a matter for surprise to find that those who were entrusted with the preparation of the electoral roll thought that His Excellency did not come under that definition. There are various other instances. For instance, everybody knows that the name of Pandit Madan Mohan Malaviya was not to be found on the electoral roll of Benares; similarly Mr. Nariman's name was not on the electoral roll of the Bombay constituency. Such glaring defects have become conspicuous because the personalities are important, but I may assure you that the names of a very large number of people who are really entitled to vote do not appear on the electoral roll. As far as I understand in England and in other advanced countries this work is generally done by election agents of various candidates, but in India when the political parties have not developed to the same extent I think the Government should take particular care that the electoral rolls are properly prepared. There are different suggestions which can be made to achieve this object, but I have no intention of detaining the House by discussing those details. It is enough to place before the Council that the present machinery of preparing electoral rolls is highly defective.

Coming to the third part of my Resolution, Sir, which concerns the recording of votes by illiterate voters, I would submit that there are different systems adopted in different provinces. In the Punjab the illiterate voter takes his ballot paper to the polling officer who is sitting alone in a room and asks him to put a cross against the name of the candidate for whom he wants to vote. It is the polling officer who puts that cross against that name, folds the ballot paper and puts it in the box. Now, is there any guarantee that the polling officer will not put a cross, instead of putting it against the name of the candidate for whom the voter intends to vote, against the name of his opponent if the polling officer is interested in him?

THE HONOURABLE THE PRESIDENT: What is the alternative in the case of an illiterate man?

THE HONOURABLE RAJA GHANZAFAR ALI KHAN: There are different alternatives which are adopted by different provinces. For instance-

in Bombay they have a different sign for different candidates, such as an elephant, a camel, a horse. An illiterate voter can vote for an elephant, although I think the bulk of the people, being very fond of racing, would prefer to put their cross against a horse than against an elephant. Then, Sir,

there are other systems. For instance, in some provinces they have coloured boxes. There are different colours assigned to each candidate and the voter, even an illiterate voter can go and record his vote without the help of the polling officer. But of all these systems I think the system in the Punjab is the most defective one and is liable to be very much abused which, as I have already explained, is the marking of the ballot paper by the polling officer. That, I understand, is also the practice in Madras, Assam and the United Provinces. Therefore, Sir, the House will realise that this is a very arbitrary way of recording a vote which leaves the candidate entirely at the mercy of the polling officer. It seems most essential that the Government should devise some means of enabling the illiterate voter to record his vote without the help of anybody and without breaking the secrecy of the voting. I think, Sir, this trouble is bound to assume large proportions when the franchise is expanded as is proposed to be done under the new constitution. Therefore, it is high time that the Government with the help of non-official Members who have got first-hand experience of these elections tried to formulate some scheme to put an end to this.

Then, Sir, coming to the last part of my Resolution, which relates to cases of personation and corrupt practices, while I admit there are clear rules on the subject already, at the same time I feel that in spite of these rules there is a tendency to increased expenditure at the time of elections and also of personation on a very large scale. During the last municipal elections in Lahore it was published in all the papers (and, if I am not mistaken, the Punjab Government are holding an inquiry about it) that more than 50 per cent. of the votes tendered were cases of personation. This is an evil, Sir, which has got to be eradicated by this committee.

Then there are corrupt practices and I mainly refer to the feeding of the voters and the provision of conveyances. My experience is that some candidates spend thousands of rupees nearing a lakh on their election. Most of this money is spent on providing conveyances, motor cars, lorries, etc., for the voters and also providing food for them when they come to the polling stations. In some cases, particularly in rural constituencies, I think it is very difficult to avoid this because there is one polling station for about 20 villages and voters have to walk a distance of about ten miles to come and record their votes. After all, the voters are not so keen about recording their votes that they should walk ten miles and go and record their votes and go back to their own villages without having any food. Therefore, what happens in most cases, indeed in all cases that I have experience of in rural constituencies, is that the candidate provides food for thousands of his voters. Well, you can imagine, Sir, what heavy expenditure it involves, and naturally a man who can spend more money has a great advantage. Naturally, Sir, when the voters come to a polling station they will vote for the candidate who can give them *palau* and *kabab* in preference to the one who can only give them *dal* and rice. Of course, all these corrupt practices are strictly prohibited under the rules but still they are indulged in on a large scale. My friend says it is very difficult to stop them. There are many difficult things but that does not mean that we should become so helpless as to give up any idea of mending these things. I personally think some means can be devised by which a proper check can be kept on these corrupt practices, and I am sure

[Raja Ghazanfar Ali Khan.]

Government will give sympathetic consideration to the proposals contained in this Resolution. I may just conclude my speech by telling them once again that if this new form of government, this democratic form of government which is foreign to this country, does not bring any good to the people, at least let it not be responsible for corrupting their morals. Therefore, Sir, I would appeal to Government to take special measures to develop a sense of responsibility in the voters as well as in the minds of the candidates. Of course, elections in this country are entirely a new device and therefore it is necessary that the rules with regard to corrupt practices and personations should be made very rigid and strict in the beginning. When the next stage comes, naturally these rules will have to be relaxed. But at the commencement and particularly with this great expansion of franchise, it would be very difficult to stop these corrupt practices unless special measures are taken.

I will now finish my speech, Sir, by just quoting a small passage from that great well-wisher of India, the late Secretary of State, Mr. Montagu, and I am sure the spirit in which he uttered these words will be the spirit in which the Government of India will treat this question. He said :

“To obtain from this system of popular government the best that the West can give, to exclude any undesirable features that have attended its growth in the United Kingdom and elsewhere, and to retain for India all that is good in her own political heritage, that seems to me, is the task of those who wish to adapt any English system to Indian use”.

Sir, I move my Motion.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, the Honourable Raja Ghazanfar Ali Khan has moved a very difficult Resolution. So far as the question of the education of the electorate is concerned, it is a matter for political parties. The Executive in this country, Sir, is an irremovable one. It is an Executive responsible to the Parliament of another country. The Executive therefore here cannot go and educate the electorates. I think it is not fair to Government servants that you should ask them to take part in politics and that is what it will come to if you ask them to educate the electorates. So far as education of the electorate is concerned, that is a task to which Raja Ghazanfar Ali Khan should address himself ; that is a task to which Sir Phiroze Sethna should address himself ; that is a task to which political parties in this country should address themselves. I think it is wrong for the Government of the day, for a Government constituted as the Government of India now is, to take part in what is called the education of the electorate. I have very strong views on this question. I think all this publicity business is so much money wasted. In many cases, I do not think anybody takes very seriously what emanates from the Publicity Department. You can never influence or educate public opinion by the methods which commend themselves to Raja Ghazanfar Ali Khan. He says that the Government of India Bill should be distributed free. Those of us, who are interested in the Government of India Bill, have purchased copies and have read it from page to page, from cover to cover. I do not think that the average villager is likely to read the Government of India Bill or understand it. In any case, I do not think that the new Government of India Bill is worth distributing free. I would rather that this money was spent on more useful objects. We do not want our money to be squandered for these purposes.

So far as the second, third and fourth parts of the Resolution are concerned, I must confess that I have a certain amount of sympathy with these parts.

I think that the electoral rolls are not always properly prepared. They are not prepared by a very intelligent class of persons. But here again, I would say that you cannot fix the responsibility entirely upon the Government. It is the duty of political organisations also to help in the preparation of these electoral rolls. I think that political organisations in this respect are very defective. We have no proper party Secretariats which would see that these electoral rolls are prepared intelligently and properly. I found, Sir, to my horror my own name in the electoral roll spelt in a way in which I do not spell it, and it was difficult for me really to discover whether it was I or somebody else. But then, the parentage made it clear that it was myself and not somebody else whom the officer had in mind.

So far as the third part is concerned, namely, that the illiterate voters should record their votes without the help of the polling officer, that is a very difficult question. Various methods have been suggested. I believe the Lothian Committee has also made some valuable suggestions.

So far as the fourth part is concerned, namely, that effort should be made to minimise the chances of personation and corrupt practices in polling, I am not sure that the electoral law needs revision. My friend objects to the entertaining of voters and so on. My friend will remember the observations of the Simon Commission on this matter. If you have a too rigid law, then the temptation is to evade that law. I do not suggest for a moment that there should not be a very rigid electoral law. But if you make that law too rigid, and if there is no public opinion to see that that law is enforced, then you do not stop the evil, however much you may desire to stop it. What you want is not so much a change in the electoral law as a change in public opinion. I think some of the things which the electoral law recognises as corrupt, people do not recognise as corrupt. That is the real difficulty. That is why the electoral law cannot be enforced very strictly.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : For instance ?

THE HONOURABLE MR. P. N. SAPRU : For instance, entertaining voters. I think personally it is very wrong to entertain voters. But if you talk to the average voter, you will find that he has got a very different outlook in this matter.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Naturally.

THE HONOURABLE MR. P. N. SAPRU : Therefore, before you can enforce your laws strictly, or before you can make your laws more rigid, in this respect—I think the laws are already sufficiently strict—you want a strong public opinion also, and you cannot have that strong public opinion until you take steps to educate that public opinion, and so far as the education of this public opinion is concerned, it is a task in which Government cannot be of very great help. It is a task which we must perform ourselves. Therefore, Sir, I find that I cannot give my support to the Resolution of Raja Ghazanfar Ali Khan in the form in which it has been placed before the House.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I have listened with great attention to the Honourable Raja Ghazanfar Ali Khan, but I am still in doubt whether I should support this Resolution. I know it has been brought forward with the best of motives, but, on further consideration, I think this Resolution is not needed at all. My grounds are these. I am fully in accord with the views of my Honourable friend

[Mr. V. V. Kalikar.]

Mr. Sapru so far as the education of the electorate is concerned, and I agree that no amount of public money should be wasted in distributing copies of the Government of India Bill or getting them translated into the vernacular and distributed to the large number of voters in India. I think that that money could be spent on more useful purposes. I do agree with Raja Ghazanfar Ali Khan that the electorate should be educated. But I think it is the concern of the various political parties to educate the voters and I think it should not be left to Government to do it. As stated by the Honourable Mr. Sapru, we should certainly not ask Government to allow their officers to take part in politics and to educate the electorate.

With regard to ensuring that electoral rolls are properly prepared, I know that complaints do crop up because the electoral rolls are not properly prepared in various provinces. I know there are electoral rules—in my province there are—saying that if any elector's name is not in the roll, he has to apply to the District Judge and get his name enrolled. If he fails in that, the fault is not with the Government; the fault is with the political party. I know that the people who are entrusted with the task of preparing these electoral rolls are low paid municipal clerks and officers. But then, this is not the proper place to move a Resolution like this. If the electoral rolls of his province are not properly prepared I would suggest that he have this Resolution moved in the local Council and not in the Council of State.

Then I come to the part of his Resolution

“to ensure that illiterate voters record their votes without the help of the polling officer”.

I do not know the practice of other provinces, but in my province for election to the local Council we have coloured boxes for the different candidates and from my experience as a member of the local Council there has never been any difficulty. The voter has made up his mind beforehand for which candidate he will vote and he puts in his paper into the box of the candidate for whom he wants to vote. But if there have been difficulties in other provinces, then still I do not think this is the place where he should move his Resolution.

Then I come to the fourth part and here I would remind my Honourable friend of the Government of India Act of 1920, Act XXXIX of 1920. I have not heard the Government reply but I do not think they propose to repeal various Acts and especially this Act when the future constitution comes into force. And in this Act there is a provision dealing with false personation and corrupt practices. That Act is incorporated in the Indian Penal Code and sections 171D, 171E, 171F, and 171G clearly lay down the law in regard to corruption and false personation. So I do not think there is any need to appoint a committee and waste public money over this matter. Therefore, Sir, I do not see my way to supporting this Resolution.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhamadan): Sir, objection has been raised by my Honourable friends Mr. Kalikar and Mr. Sapru that this Resolution should not have been brought in this House. It will be for the Government Member to say whether he considers the evils referred to by the mover such that Government should take notice of them, and if he does so decide then the Government of India in their turn should ask the provincial Governments to remedy the state of affairs.

The Raja Sahib has divided his Resolution into four parts. I will deal with (b), (c) and (d) first and then refer to (a). As regards (b), that the electoral

rolls are not properly prepared, I would like to say that my experience does not extend to rural electorates. I only know the position in regard to elections in Bombay. As has been stated, municipal clerks are engaged for the purpose of preparing these rolls. What do they do? Suppose they go to a large block of buildings where there are many offices. All that they do is to take down the names of companies which they find on the signboards. That is all. But as has very well been pointed out by Mr. Kalikar, it is the duty of the elector himself to see that his name is included. In Bombay the practice prevails, and I suppose elsewhere also, that the preliminary electoral roll is published and intimation is given to the public by advertisement. It is for the public to find out whether their own names or the names of the companies or agencies they represent are duly entered or not. If they do not do so, they have no cause to complain when they find on the day of the election that their names are not entered in the municipal electoral roll.

As regards (c), to ensure that illiterate voters record their votes without the help of the polling officer, you, Sir, asked the mover as to what alternative he would suggest and he referred to the case of Bombay. It is true that in Bombay they do not use coloured boxes, but candidates are allowed to select signs or emblems. A man may choose an elephant, a book, a motor car or an aeroplane or any thing else he likes as his emblem. But even then the question arises, supposing a voter is entitled to give 12 votes in a particular ward, how has he to divide them if he is illiterate? In Bombay they give him a sheet, and supposing there are 12 votes then in that sheet there are 12 perforated slips. If he wants to divide his votes the illiterate voter can tear off as many slips as he likes for each candidate and throw them in the box or boxes of the candidates represented by their respective emblems. That is the way in which voting is done in Bombay.

As regards part (d), there has been any amount of personation in the Bombay municipal elections which took place only four or five weeks ago. I will give two or three instances which will interest Honourable Members of this House. One prominent candidate, a medical man by the name of Dr. Saher thought he might give his own votes in the afternoon, but when he went to the polling clerk he discovered that some one had personated him and signed his name on the voting paper. A second case was also that of another well known medical candidate Dr. Meshiri. He too waited till the afternoon to record his own vote, and he also found that he had been personated and by some one who could not read or write because he had put his thumb impression on the voting paper. Imagine a medical man, a member of the Corporation for many years past, recording his vote by a thumb impression! But there was yet another case which beats the first two I have mentioned. This was at the election of three years previous: a man came up to the polling clerk and gave his name—say that his name was A. B. The clerk turned up the list and found the name A. B., but he was well aware that A. B. was the name of his own father and who had died only ten days previous. The polling clerk said, “Are you A. B.?” and he said, “Yes, I am A. B.” So he took the paper from the supposed voter after he signed it and then put him up before the officer in charge. It was proved that he had personated a man knowing that that man had died ten days previously but never dreaming that he would apply for the voting paper to a clerk who was a son of the deceased himself. That sort of thing does happen too frequently. The Bombay municipality will I hope appoint a committee to go into the matter and remedy the state of affairs. And if the Government of India are satisfied that the position is substantially as the mover has portrayed it, and I know these evils do exist,

[Sir Phiroze Sethna.]

then it would be well for the Government of India to draw the attention of provincial Governments to the state of affairs.

I now come to (a) in which it is said the electorate must be educated. That, Sir, is the root of the evil. I know my friend Mr. Sapru and others will disagree with me, but I think the biggest mistake has been to have so soon extended the franchise to the extent to which it has been extended at this stage. I know they would like to have adult franchise. If without adult franchise you have the evils of the kind referred to by Raja Ghazanfar Ali Khan, and which I endorse, how much more will be the evils when adult franchise is introduced? Therefore we should have proceeded in a better manner, extending the franchise say by ten per cent. every five or ten years and during the interval strive to increase literacy in the country. Until there is a far larger percentage of literacy in India than at present we will have to put up with these evils.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): I do not think it necessary to speak at any length on this Resolution. The arguments of the mover have been criticized and counter arguments have been put forward. The Resolution as it stands is I understand that the Governor General shall appoint a committee. On that point, Sir, as far as I followed the Honourable Member's speech, not a single word was said. He went on to deal with parts (a), (b), (c) and (d), but there was not an argument to suggest that a committee was the best remedy for these evils, if they really exist. If this Resolution had been that the Government of India should take steps, I would readily have accepted it. As it is, there is the suggestion that there should be a committee and I certainly am not prepared to accept it. A committee on these matters will in fact be entirely useless. Committees are, we know, very often appointed in order to shelve matters. These are urgent problems which have got to be dealt with quickly and, as I shall explain later, are being dealt with very satisfactorily by provincial Governments. The matter is really one of provincial concern, as has been urged by one of the speakers, and necessary action is being taken by the provinces. They are preparing for the first election under the new constitution. We do not know when the Bill will become law, but we know that in any case there will be plenty of work to be done in the short time between the Bill becoming law and the actual introduction of the constitution and we do not want to have that delayed by an entirely unnecessary committee at the centre. Those are my arguments against the committee.

As regards the other points, the four specific points which have been raised, we and local Governments are taking up and considering all the points which are referred to in the Resolution. On the question of educating the electorate, there appears to be some difference of opinion as to whether this should be done by the Government or by the political parties. As Sir Phiroze Sethna has pointed out, it is essential that the electorate should become educated, but the great difficulty I feel is that during the last ten years under the present constitution when the elective system has been in force on a fairly wide scale, parties and representatives of constituencies have done extremely little to educate the electorate during this period. They have visited their constituencies for a few days or for a few weeks just before the election. They do not keep in touch with the constituencies for the greater part of the time they are members of legislative bodies and practically have done nothing to educate them. That being so, it is essential that Government should do something in this matter, when you have got a new system coming into force, when you

want to make the new system a success, you must let people know exactly what that system is. I quite agree that to translate this Bill and distribute it broadcast would do no good at all; the villagers would not understand half of it; but what we have done—what I think is desirable—is that documents such as the Memorandum which was published at the time when the Bill was introduced in the House of Commons, should be distributed widely; that has I think already been done; if it has not been distributed, I will see that it is distributed, because that gives a very clear and intelligible account to the ordinary villager. Local Governments are doing a lot in this respect to explain the provisions of the whole constitution, and I have got numerous examples here of what has been done. I need not weary the House by repeating them. More no doubt will be done in the future, if the need arises when the Bill has finally been passed. But I agree with Mr. Sapru that we are treading on delicate ground because we are accused, if we go too far, of interfering in politics; but in spite of this I think it is our duty to see that the constitution is fully explained to the people who will have to work that constitution, and to the voters in the villages.

I pass on to the second point, the preparation of the electoral rolls. That is entirely a matter for the provinces. It is no doubt a difficult task. We have to employ low paid clerks or subordinate revenue authorities. We cannot employ higher paid staff, because the cost of the elections which is already very high would become very prohibitive. It is a problem which is being dealt with by Reforms Officers in the provinces and I may inform the House that in the course of the next few days the Reforms Commissioner, Sir James Dunnett, is having a meeting here of the Reforms Officers for the various provinces with a view to discuss all the practical difficulties that are likely to arise at the first elections. That I think meets the Honourable Member's point to a large extent. They are pooling their opinions and trying to find out what difficulties they anticipate and what solution they can find for the various problems.

As regards the third point, much has been said on that. The whole matter was thoroughly dealt with by the Lothian Committee when they were out here. I remember I was in charge of a district then and they came to my district and we held a sham election. We showed exactly how we ran the election. In Bihar we had adopted the system of coloured boxes, which is in force in the Central Provinces also, and the Lothian Committee in the Appendix to their report have advocated the system of coloured boxes or possibly coloured symbols in preference to the Punjab system of polling officers making a mark on the ballot paper. The whole matter has been fully dealt with by that Committee. They consulted public opinion; they saw what was actually done; they saw what the difficulties were and this was their considered recommendation. I have no doubt the Punjab Government have considered this and if they have not accepted it there must be some valid reason for their refusal to do so.

Finally, as regards personation and corrupt practices, that again is largely a matter for the people themselves, and for the candidates themselves, to see that they do not set a bad example in the matter. It is referred to by the Joint Select Committee in their Report; they fully recognised the dangers. This again is a matter in which, if anything can be done by Government, local Governments will no doubt take such action that they consider suitable. I have no doubt the question whether a limit should be put on election expenses has been considered. I do not know how that stands. That of course is an important question bearing on the question of corrupt practices.

[Mr. M. G. Hallett.]

I think, Sir, I have said enough to show that the Government are dealing with these questions as far as they arise and that there is no need for us to do any more, and in particular there is no need to appoint a committee. I trust, Sir, that in view of the explanation that I have given to the Honourable Raja Sahib and in view of a certain amount of opposition which he has provoked from other parts of the House, he will be content to withdraw his Resolution.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I am really very glad that the Honourable Home Secretary has shown a more sympathetic attitude towards my Resolution than some of my friends of the Progressive Party. But before I tell you what I am going to do with regard to my Resolution, I would like to answer some of the criticisms made by my Honourable friend Mr. Sapru. I must admit that I was unable to follow the logic contained in Mr. Sapru's speech. He admitted one thing in one breath and contradicted it in another. He said that it should be the duty of the voters to go and see that their names are properly entered on the electoral roll when the roll is prepared and notice of one month is given to the public to correct it. On the other hand, he said his own name was entirely wrong. Sir, I am not prepared to believe that an average voter in India is more intelligent than Mr. Sapru and if my Honourable friend Mr. Sapru himself who was a candidate for the Council of State did not take the trouble of going and seeing that the electoral rolls are properly prepared, how does he expect an ordinary voter will do that? It is all very well to say that we can do everything ourselves, our political parties should do that, why should we ask Government to do it? But I ask him when he admits and says in his speech himself that there are no political secretariats, that parties are not well organised, that they have no system, no machinery, why should he hesitate in asking Government to use such legitimate methods which are essential to educate the electorate. I really do not understand the opposition coming from the members of the Progressive Party. It is no use indulging in these high slogans that it is the duty of the political parties and all that. There are backward communities, such as the Harijans. They are being allotted quite a large number of seats. May I ask my Honourable friends of the Progressive Party whether they are educated?

THE HONOURABLE MR. P. N. SAPRU: We never made it a party question.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: When I say members of the Progressive Party, I do not mean the party. But I was surprised at the attitude shown by my Honourable friends on the right. When I look at their attitude I feel like pressing my Resolution to the vote. On the other hand when I see the attitude of the Government, I feel that it would be unreasonable on my part to press the Resolution any further.

THE HONOURABLE MR. HOSSAIN IMAM: Second thoughts are best!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Thank you very much. I would request the Government to accept the Resolution and I would just change it in accordance with the wishes of the Home Secretary.

THE HONOURABLE THE PRESIDENT: Order, order. I cannot allow you to make any alteration in the Resolution at this stage.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Well, Sir, as no alterations can be allowed at this stage, therefore I have no hesitation in asking the House to give me leave to withdraw the Resolution in the earnest hope that the Government will not attach very great importance to those irresponsible statements made by some Honourable Members who say that the Government should sit tight.

THE HONOURABLE MR. P. N. SAPRU: I object to the word "irresponsible."

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I think, Sir, it is perfectly legitimate and even when I say that an Honourable Member is making a statement which a responsible man would not do, I think I am perfectly within my rights, because this is my conviction that the statement made on this question was made in the most irresponsible way. As I have already explained, I feel it is the duty of the Government to take steps to see that the electorate are educated. By that I do not mean that they should be trained to vote for a particular candidate. What I said was that all important documents such as the Joint Parliamentary Committee's Report, the Railway Statutory Commission's Report, and so forth, should be translated into various languages and distributed. Now, anybody who says that this is a duty which should not be done by the Government but should be left to the political parties, unorganised as they are, I have no hesitation in saying, he is talking irresponsibly. Therefore, Sir, I would request the Government to do their own duty of observing scrupulous non-interference at elections, but educating the voters and seeing that they do not depend entirely on these wonderful political parties to get the electoral rolls properly prepared. This will have to be done by the Government itself.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of order, Sir. We would like your ruling whether it is parliamentary for an Honourable Member to call other Honourable Members names. He may stigmatise a statement as irresponsible or anything he likes but to call a person irresponsible is, I think not parliamentary and I would ask you to request the Honourable Member to withdraw that.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, on a point of personal explanation. I never said "irresponsible person"; I said "irresponsible statement", and I would challenge my Honourable friend to say that this word is not perfectly parliamentary.

THE HONOURABLE THE PRESIDENT: As my ruling is sought on this question, I must point out that I do not see anything objectionable in the words "irresponsible statements". That expression has been used in the House of Commons by more eminent statesmen than this House possesses. But I must also correct and bring to the notice of the Honourable Mr. Sapru that the Honourable Member did not, so far as I heard him, speak of "irresponsible persons" but "irresponsible statements".

The Resolution* was, by leave of the Council, withdrawn.

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

*Vide page 357, ante.

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

RESOLUTION *RE* ACCOMMODATION IN THE WESTERN COURT FOR MEMBERS OF THE LEGISLATURE.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhamadan) : Mr. President, I beg to move :

"That this Council recommends to the Governor General in Council that accommodation in the Western Court, New Delhi, during the sittings of the Council of State and the Legislative Assembly be offered in the first instance to Members of the Legislature who live in European style".

Sir, my object in bringing forward this Resolution is to draw the pointed attention of Government to what some of us consider a legitimate grievance. When Government moved to New Delhi, it became necessary to construct buildings for their different requirements. One of such requirements was to provide accommodation for Members of the two Houses when they came here to attend a session of the Legislature. With this object in view, they erected two big blocks of buildings facing one another, called respectively the Western Hostel and the Eastern Hostel. The Eastern Hostel was meant for Members who live in the orthodox style and the Western for those who live in European style. After a time, those who live in the orthodox style did not care for the Eastern Hostel because it looked more like a hotel and they preferred to have separate cooking arrangements for each Member. When therefore more detached bungalows were available, they were given to orthodox Members and the Eastern Hostel was converted to another purpose, namely, to locate the Central Telegraph Office, and I believe the upper floors are reserved as residences for some of the officers of that department.

The Western Hostel continued to be used for Members of the Legislature who lived in European style. So far as I remember, it was originally restricted only to Members of the Legislature, but later on, some officials were also given accommodation in that building. I would like to mention what the accommodation is in the Western Hostel, which however is now known as the Western Court. There are 70 rooms in all, 58 single rooms and 12 double rooms, so that there would be 70 tenements altogether, if I might call them by that name. Some of these single rooms were later on converted into double room quarters; that is to say, two single rooms were made into a double quarter, one room being given for a bed room and the other for a sitting room. Thus, the total number of 70 tenements was reduced to 58, namely, 23 double quarters and 35 single quarters. I will now inform the House how these 58 tenements are allocated. The Members of the Council of State are allocated only three, one double quarter and two single quarters. Members of the Assembly are allocated 31 quarters, 10 double and 21 single. That still leaves 12 double room and 12 single room quarters. These are all given to officials. Not only do they get these 24 quarters, but perhaps they have the pick of the rooms because they occupy quarters in the Western Court when they return from Simla and consequently long before Members of the Legislature arrive here. I have no objection to officials being given quarters in the Western Court provided that the demands made by Members of the Legislature themselves are first acceded to.

I will now take the case of Members of the Council of State. According to Circular No. 1 issued on the 8th January of this year, we were allotted eight

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sets of quarters at Metcalfe House, Delhi, and two single and one double quarter in the Western Court, New Delhi, and these are meant for Members who live in European style. Now, Mr. President, the Honourable Members know that Metcalfe House is at a distance of nearly six miles or more from the sphere of our labours, namely, New Delhi and particularly the Council House. It means a drive of anything from 15 to 20 minutes each way, and one may have to go there twice, and sometimes three times a day. It certainly involves very considerable loss of time. What we, Members of the Council of State, would like is to be within proximity of our colleagues, both of this House and of the other, and to live in New Delhi so that we can meet the officials as often as possible, which is necessary, and also to go to the Library for reference and other purposes. Therefore, their asking us to stay at Metcalfe House is a serious inconvenience. But more than that, Mr. President, in the Circular No. 1 of 8th January, whilst offering us eight sets of quarters at Metcalfe House, paragraph 9 (b) says :

"that no arrangements for catering at Metcalfe House have been made this year and Members desiring accommodation there will be under the necessity of making their own arrangements for messing, namely, by arranging to take their meals at Alipore House. Facilities for cooking have not been provided".

Fancy the idea of asking Members to live in Metcalfe House and trudge a distance of half a mile or more three times a day for their meals ! I wonder who was the official whose brilliant idea it was to offer us eight sets of quarters there and at the same time tell us that there are no catering arrangements. Surely if that was so, they could very easily have provided us with more accommodation in the Western Court. But it is no use crying over the past. My Resolution is in regard to the future. I certainly think that we are entitled to first preference, for as far as I know and remember, these blocks were meant exclusively for the Members of the central Legislature. There is no reason why we should be asked to go to Metcalfe House and these quarters be given to officials. Officials only require to come in the morning to their offices in New Delhi and go back in the evening. That is not the case with us and we should certainly be provided with accommodation here.

There is another complaint, to which however I do not attach much importance. I understand that whilst there are 70 servants' quarters only 30 or less are allotted to Members of the Legislature. Similarly, the better class garages also are not given to Members of the Legislature but reserved for officials. This is another grievance.

All therefore that I want the Government to do is to see that a mistake such as this, namely, of offering us quarters at Metcalfe House when there are no catering arrangements there is not repeated, and, more than that, to see that quarters in Metcalfe House are no longer offered to us but only quarters in the Western Court.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhamadan) : While agreeing with my friend Sir Phiroze Sethna in all that he has said in commending his Resolution to the acceptance of the House, I would also like to draw attention to another grievance. Last month I had to attend a meeting of the Imperial Council of Agricultural Research. I wrote to the Estate Department for my accommodation in New Delhi for two days, asking them to give me a room. I got a reply the day previous to starting on my journey stating that no accommodation was available for those two days. You will see from that, Sir, that we are unable to get accommodation in Delhi even when we come here on Government business to attend meetings summoned by a Government department. I say that

[Diwan Bahadur G. Narayanaswami Chetty.]

we should be given a place to stay in during our attendance at meetings here. In this case I got the intimation that no accommodation was available only the day before I had to leave, and I had to telegraph to a friend of mine to put me up. That is an inconvenience we feel. Surely Government could set apart some rooms for such contingencies but we are denied even that. Therefore I would also add to what my friend has said, that accommodation must be given to Members who come to Delhi on Government business.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians): I have much pleasure in supporting this Resolution. I will only add that so far as the Council of State is concerned I believe we are worse off than the other House. There are only two of what are called single quarters and only one married quarter. Last year I tried to get married quarters and at the last moment, two or three weeks after they had got my letter, I got a telegram, "No. 1 Metcalfe House available. Will you take it?" I said, "Hobson's choice. Yes". Well, I had to be in Metcalfe House for three months with my wife and child, and you know, Sir, how far away it is. The result was that the two of us had to go back home about the beginning of May burning with fever. So I think that those who are prepared to live in English style and conform to the ways of the Western Court ought to be provided with sufficient accommodation there. I have much pleasure in supporting this Resolution.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, I must begin by expressing my great regret that the Honourable mover and other Honourable Members of this House have been incommoded in this matter of accommodation in New Delhi. Having been myself a homeless official of the Government of India for several years, I am in a position fully to sympathise with the Honourable Member in not being able to find accommodation for a few days in the hostelry of his choice. He has made out that Government is rather stony-hearted. That is really not so, and in order to persuade the House that Government has been doing its best I would supplement the history given by the Honourable Sir Phiroze Sethna.

As he said, in 1920 the Western Hostel, as it was then called, was built for the accommodation of Members of the central Legislature. A few years later, in 1924, the lease of Curzon House lapsed and a large number of officials were rendered homeless. Government approached the Legislative Department, which at that time administered the Western Hostel, and asked if it was possible to arrange for the accommodation of some of these officials in the Western Hostel. A review was taken of the case and it was found that out of 70 quarters, in the year 1922, 21 were occupied by Members of the central Legislature; in 1923, 20 quarters were occupied; in 1924, 27 quarters were occupied. So Government decided that out of a total number of 70 quarters, 25 single quarters and 10 double quarters, that is, 35 quarters in all, should be reserved for Members of the Legislature, whose maximum demand up to that time had been 27. The rest of the accommodation was then made available for officials. In 1927, in connection with the proposal to sell the Western Hostel to a hotel company, the whole question of the accommodation in the Western Hostel was re-examined and the case was referred to a Joint Committee of both Houses. They reviewed the whole position and they confirmed the arrangements which were made in 1924. Since then there have been certain re-arrangements in the accommodation and particular quarters have been allotted to the Council of State and particular quarters to Members of the Legislative Assembly. At the present moment I understand the position

is not quite as stated by the Honourable Member. The present position is that there are now 24 single quarters available for Members of the Legislature and 11 double quarters, and 34 single and one double for officials of the Government of India. This accommodation is allotted according to a fixed plan. There is no question of an official coming up first and booking the best accommodation. Certain rooms are set aside for Members of the Legislature and certain rooms are set aside for officials, the one set is just as good as the other; and the same remarks apply to the garages. The Honourable Member has perhaps obtained a garage which is not one of the best but it does not follow that the officials keep the best garages. I assure the Honourable Member that is not so.

In the present year there were 39 applications from Members of the Legislature for 35 quarters allotted to them, and there were 46 applications from officials for 35 quarters. I would draw the Honourable Member's attention to the fact that, though it is very regrettable that Members of the central Legislature should be inconvenienced, officials themselves are inconvenienced to a much greater extent. They are required to live in Delhi for six months, whereas the Members of the Legislature at the outside come up here for two months. The Honourable mover of the Resolution himself, for instance, in 1930 did not appear at all. In 1931 I gather he was in attendance for four days; in 1932 for five days; in 1933 for two days; in 1934 for two days. I hope he will give us the honour of staying a little longer this session. As regards Metcalfe House, I fully admit the inconvenience caused to Honourable Members, but we did our best to get a caterer; but the thing is in such a small scale that no caterer will take it up. We will do our best next year and try to have a caterer there to meet the convenience of Honourable Members.

THE HONOURABLE SIR PHIROZE SETHNA: We do not want to go to Metcalfe House. We prefer to be in the Western Court if Government can provide accommodation for us there.

THE HONOURABLE MR. D. G. MITCHELL: I shall come to that. But I would suggest to the Honourable Member that he should not press this too far. It is hardly a practical proposition to allot

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quarters to officials on the condition that they may be turned out for two days at a time or even five days at a time during their stay. The chances are that officials will not take them up as permanent residences, and in that case the caterer will not be able to provide conveniences for Members on the scale and for the reasonable figure at which he now does. To turn out officials entirely or to make them subject to eviction at any moment would certainly have the result of making these quarters more expensive for Members of the central Legislature. The Honourable Member must remember that officials stay there for six months, and the caterer makes a steady income out of them. I must also remind the Honourable Member, though it is an argument which I advance with diffidence, that the official pays rent to Government for six months and the legislator in some cases for a few days. However, I can hold out a ray of hope to the Honourable Member. As he knows, we are now carrying on with the capital project in New Delhi and are building bungalows. We intend during the ensuing six months to build another 21 officers' bungalows, which will be ready for occupation next cold weather. That, in all likelihood will have some effect on the demand by officials for quarters in the Western Court. If that is so, then Government will certainly reconsider the position and see if it is possible to allot more quarters for Members of the central Legislature; and then I hope my Honourable friend will find a nice little suite ready waiting for him when he pays us the honour of one of his fleeting visits.

THE HONOURABLE SIR PHIROZE SETHNA: I am obliged to the Honourable Mr. Mitchell for the reply he has given, but it is more or less a defence in regard to giving so many rooms to officials. My point is that even though officials stay for six months at a stretch and we are here only for a few days or weeks, surely our convenience has to be studied and the more so because this block was originally intended for Members living in European style. I learnt from him that a committee was appointed in 1924 and I think he said another in 1927 and that these committees allotted certain rooms to officials and the rest to the Members of the Legislature. But circumstances have now altered and Members prefer to stay in the Western Court for the reasons I have stated and do not want to go as far as Metcalfe House. Why then force them to go to Metcalfe House. You can very easily ask officials to go to Metcalfe House and that will not cause them the great inconvenience it causes to Members of the Legislature. I am assured that 21 more bungalows are going to be put up and they will be ready before the next cold weather. As the Honourable Mr. Mitchell has promised that Government will reconsider the matter and offer perhaps more accommodation to Members of the Legislature in the Western Court, I will not press my Resolution.

The Honourable Member referred to my presence in the House during the last few years and gave the number of days that I was here in each of those years. The Honourable Member surely knows that I cannot be at two places at the same time. My absence from India during most of the time that he referred to on the Round Table Conference or the Joint Select Committee work was perhaps responsible for my presence in the Council being for a limited number of days but I will readily admit that, because there is very little work to do in the Council of State, I cannot afford to stay here doing nothing and that is why I am not here at a stretch but run up whenever necessary. At the same time I would like to remind my Honourable friend that I would not refuse to pay the rent for the full season, whether I stay for two days or two weeks during the session. The Honourable Mr. Mitchell's argument therefore will not avail.

On the assurance which my Honourable friend has given that Government will reconsider the position when these 21 new bungalows are completed before the next cold weather, I do not press my Resolution.

The Resolution* was, by leave of the Council, withdrawn.

RESOLUTION RE LEGISLATION FOR THE COMPULSORY MIXING OF ALCOHOL IN MOTOR SPIRIT.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan): Sir, I beg to move :

" This Council recommends to the Governor General in Council to introduce legislation to make it obligatory to mix a certain percentage of alcohol in motor spirits and to permit sugar factories, specially those working on co-operative lines, to manufacture alcohol out of molasses ".

*Vide page 368, ante.

Sir, as the Resolution stands, it has got several advantages and objects and I think it would be better if I described the objects underlying the Resolution at the very outset before I go into its details. Sir, the first object of the Resolution is to utilise the enormous production of molasses on account of the recent increase of sugar factories. Secondly, Sir, the object of the Resolution is to bring down the cost of the manufacture of sugar, so that it may be able to compete with foreign sugar. The third object of the Resolution is to lower the price of petrol which is enormously consumed in India and for which the provinces in the northern and central parts of India have to pay much more than the presidency provinces on account of the heavy railway freight. And lastly, Sir, if my Resolution is accepted, it will help to a certain extent, if not much, in solving the problem of unemployment because a large number of persons will be employed in the manufacture of alcohol out of molasses.

Sir, the question of molasses in India was very insignificant before 1930 when there were about 25 factories which were manufacturing white sugar and India on the other hand had to import enormous quantities of molasses from Java and other foreign countries. Since the development of the sugar industry and the opening of so many factories in India, their position has altogether changed. Now, Sir, I will just show what is the position at present so far as the production of molasses is concerned. Sir, the total production of molasses in 1929-30 was 248,292 tons. In 1930-31 it was 268,945 tons, in 1931-32 it was 341,350 tons, in 1932-33 it was expected to be 420,000 tons, and in 1933-34 about 500,000 tons. So, Sir, we find that the production of molasses is being increased year by year on account of these factories. What is the result? The result is, Sir, that the factories have to spend something out of their own pockets to throw away these molasses. There are many factories, I know, Sir, which do not find ways how to throw it away and they have to wait for the rainy season when these molasses may be washed away.

Sir, when the Tariff Board fixed a certain import duty and found out the fair selling price of sugar in India it considered that the price of molasses would be about Rs. 1-8-0 per maund. But what we do find is that at present the molasses fetch no price at all. With your permission, Sir, I will place certain facts about the price of molasses before the House. In 1931 the price was Rs. 1-8-0 per maund; in 1932 it came down to ten annas per maund; in 1933 it further went down to four annas a maund; and since 1934 it has practically fetched no price at all. So this national product of India is being wasted away at present. We all know, Sir, that in previous years India had to import molasses from Java in great quantities. In 1930-31 the molasses imported into India was to the value of Rs. 42,63,995, in 1931-32 it was Rs. 15,82,250, in 1932-33 it came down to Rs. 10,66,648, and after that India itself had an abundance of molasses and did not require to import any more.

Sir, molasses can be utilised in many ways. But we have to see what is the best and most profitable way in which it can be utilised. I know, Sir, that it can be utilised for manufacturing methylated spirits, for cattle food, for fertilising land, for road surfacing, for cheap confectionery, as alcohol to be mixed with petrol for motors. But all these things which I have described just now are not suited to India. It is not likely that for some years to come it can be utilised in the quantities in which it is being produced by these sugar factories in India nowadays. The best and most profitable solution at present is that alcohol should be manufactured out of the molasses and a certain

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

percentage of it should be compulsorily mixed with petrol. Sir, this is not a new idea that I am placing before this House. In foreign countries they have made experiments and found its utility. The value of alcohol as fuel for internal combustion engines has been recognised in various countries, for example, France, Germany and America. Sir, I will just refer to the Report of the Imperial Sugarcane Research Conference, London, of 1931. In that Conference, what they said of molasses was that :

“ molasses is the cheapest raw material in common use for the production of alcohol for industrial purposes, the price being governed by the supply and demand ”.

That is the conclusion which this Research Conference in London arrived at in 1931. Sir, with your permission, I will place before the House a few of the advantages that would ensue if alcohol prepared out of molasses is mixed with petrol. These advantages are as follows : Alcohol does not produce violent explosions such as gasoline and other motor spirits produce. As a result the motor runs smoothly, thus reducing the amount of wear and tear. As alcohol generates less heat in the combustion process, it needs less water for cooling. Alcohol is less disagreeable to work with and the danger of poisoning due to an inadequate supply of air does not exist when alcohol is used in an engine in a closed place. If the manufacturers of alcohol can succeed in getting the Government of India to abolish the use of costly denaturants and substitute less costly ones for them such as petroleum and gasoline for motor alcohol and exempt alcohol from any excise duty as on petrol, the immediate success of the industry would be assured, and it can compete safely with the petroleum industry.

Sir, these are a few of the advantages that can be secured by the use of alcohol, and on account of this the question has been taken up, not by one but by a number of foreign countries, and what we find, Sir, is that in Australia a mixture of 17 per cent. alcohol and 83 per cent. petrol is used on a small scale and legislation is contemplated ; in Austria the law provides that mixing shall be compulsory if the (duty paid) price of petrol exceeds the price of alcohol ; in Brazil petrol companies are required by law to purchase power alcohol equivalent to five per cent. of their petrol imports, in Czechoslovakia the addition of 20—25 per cent. of alcohol to motor fuel is compulsory and 98½ per cent. of the petrol sold is this mixture ; in France importers of petrol are under a legal obligation to take from Government a quantity of alcohol equivalent to eight to ten per cent. of their petrol imports ; in Germany the oil importers and indigenous producers are required to purchase from the alcohol monopoly of power alcohol corresponding to 10 per cent. by weight of their imports of petrol ; in Greece it is proposed to standardise a mixture of 78 per cent. petrol with 22 per cent. alcohol but also to permit the use of unmixed petrol ; in Hungary petrol over 735 S. G. must be mixed with 20 per cent. alcohol ; in Italy a definite allocation of the total production of industrial alcohol is made to the motor industry—at present 2¼ million gallons which is less than three per cent. of the total consumption of motor spirit, in Sweden there is no legal regulation but power alcohol is free of all duty, the mixture used being 25 : 75.

So, Sir, it is not one or two countries, but we find almost all European countries are using alcohol in mixing with petrol and I have therefore brought this Resolution forward to request the Government that they also may b.

pleased to make legislation by which, in whatever percentage their experiments direct, they may use alcohol in mixture with petrol. The consumption of petrol in this country is also growing year after year. It was as follows :

	Million gallons.
1926-27	36.3
1927-28	48.6
1928-29	61.2
1929-30	79.2
1930-31	79.4
1931-32	75.5

So much petrol is being used in this country. So far as the United Provinces, the Punjab and Bihar and Orissa are concerned, they have to pay a higher price than the other provinces on account of the railway freight. The consumption of these three principal sugar-producing provinces is not less than 13 million gallons of petrol. If Government undertake such legislation and alcohol is mixed in these provinces, they will be saved the enormous railway freight which they now pay and the cost of petrol there will also be reduced. I am aware that in 1933 the Sugar Committee of the Imperial Council of Agricultural Research set up a scheme under which two distilleries, one at Cawnpore and the other perhaps at Amritsar began to try experiments about the manufacture of alcohol out of molasses. More than a year has passed. I do not know to what conclusion they have come. I certainly want that the experiment should first be made and then Government may come to a final conclusion as to what percentage of alcohol would be suitable for mixing with petrol according to the conditions in this country. I therefore commend my Resolution to this House and the Government for the advantages that I have just described.

With these words, Sir, I move my Resolution.

THE HONOURABLE MR. E. MILLER (Bombay Chamber of Commerce) : Sir, I have listened most carefully to the Honourable the mover of this Resolution but regret that he has failed to convince me that there is any reason why the Government of India should introduce legislation for the compulsory mixing of alcohol in motor spirit.

A very large proportion of motor spirit consumed in India is indigenous and equal in every respect to motor spirit produced in other parts of the world and it requires no improvement by the addition of alcohol, so why should this be made compulsory by legislation, particularly as there is some doubt as to whether the admixture would prove satisfactory during the monsoon months owing to the possibility of the alcohol attracting additional moisture. In places where extreme humidity prevails the tendency of the alcohol to absorb water would make such a mixture unsuitable for transport and storage in bulk, while handling in sealed packages to any extent would again add to the cost.

There are also other grave practical difficulties in the proposal which need very careful consideration before any legislation of the kind suggested should be supported. One is that the production of alcohol in India is concentrated in certain areas and the freight incurred on carriage to some of the mixing points would add considerably to the cost of the petrol when marketed.

[Mr. E. Miller.]

It has been suggested that legislation should require the mixture of alcohol with petrol in India because such legislation exists in other countries such as France but I would point out that there is no analogy between India and these other countries in this respect. The countries where the production of indigenous power alcohol is subsidised or encouraged by Government have no indigenous petroleum industry such as exists in India. Even in these countries it is not an economic proposition, but there may be reasons in these countries why it should be encouraged and subsidised.

Now there is the other side of this proposal to be considered in regard to the source from which this alcohol is to be obtained. I do not think there can be any insuperable difficulty in obtaining Government sanction to manufacture alcohol out of molasses beyond possibly obtaining a license from the provincial Government concerned and if sugar factories want to manufacture alcohol in this way there should be no serious obstacle in their way.

The real difficulty for the factories is how to dispose of their molasses, which owing to the rapid development of the sugar industry in various parts of India, now amount to a considerable figure, somewhere I think in the neighbourhood of 300,000 to 400,000 tons per annum.

In the days when the sugar industry was in its infancy, there were various industrial outlets which could deal with the residual molasses but now that sugar is being manufactured in such large quantities, not only is the disposal of this bye-product a problem, but it is only right that every avenue should be explored with a view to ascertaining the most useful manner in which this can be utilised. I think this has been discovered, due to the falling off of the production of sugar in Java, mainly owing to the development of the sugar industry in India. This has naturally led to a considerable contraction in the supply of molasses in Java and I think there is every reason to believe that in consequence a certain world-wide organisation which used to make large purchases of molasses in Java will turn to this country for some of their requirements. What therefore is Java's loss will prove to be India's gain if this opportunity is seized of meeting this demand promptly and I shall not be surprised to hear that it will arise at no very distant date. I understand that the quantity required will be certainly not less than 200,000 tons per annum and it is likely to be far in excess of this figure. If this transfer of demand materialises the sugar manufacturers will be relieved of all further trouble for there will be no need to continue investigating the possibilities of marketing alcohol obtained from this source. Even if production of alcohol from molasses proved to be a practicable commercial proposition, it would entail considerable capital expenditure and the scheme would take years to develop whereas the purchase of all surplus molasses by the organisation mentioned can be put into full working operation within a period of a few months at little or no expense to the sellers or to Government.

I think Honourable Members will appreciate from what I have said that the proposals contained in this Resolution require very careful consideration and there certainly seems no justification for Government to be asked to legislate at this stage. So long as a quick, easy and reasonably remunerative market can be found for the surplus molasses and so long as we have adequate supplies of indigenous petrol at hand, just so long is there no justification for launching out on a scheme which will probably require a subsidy from Government and the success of which is most uncertain.

Sir, I oppose the Resolution.

*THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I have great pleasure in supporting the Resolution moved by the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra. Molasses are now a waste product and in all countries the only way to turn it into a useful article is to make power alcohol out of it. The Sugar Committee appointed by the Imperial Council of Agricultural Research shows how this has been done in other parts of the world, and there is no reason why we should not manufacture power alcohol in India and follow the example of these advanced countries, in compelling the use of alcohol with petrol for all power purposes.

I therefore gladly support the Resolution.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : Sir, I believe that the number of sugar factories will increase to 175 in the course of the present year, and naturally to the amount of molasses, as my Honourable friend has told us, and naturally increase. The various ways in which molasses can be utilised have been amply described by Mr. Gandhi, the Secretary of the All-India Sugar Manufacturers Association. He has shown us that there are other articles than alcohol which can be produced. One of the suggestions is to produce denatured alcohol, but nevertheless it is known that the material required for the purpose is expensive and the imported spirit would be cheaper. I believe that there is an organisation which has been started in Calcutta to undertake the export of molasses for the manufacture of manure, and railway companies have made special concessions, by building wagons for transport and making arrangements for its storage there. This is one of the ways in which molasses can be utilised.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary) : If the Honourable mover will allow me, I will deal first with the second part of this Resolution, which runs :

"That the Council recommends to the Governor General in Council that he should permit sugar factories, specially those working on co-operative lines, to manufacture alcohol (that is to say power alcohol), out of molasses".

The Honourable Rai Bahadur is a great champion of the sugar factory run on co-operative lines. In the course of the debate which took place in this Chamber the other day it came to light that there are at present in India six factories which can be so described, of which only three, and those are rather small ones, are in working order. So far therefore as their number is concerned, we may say that the factories working on co-operative lines are negligible for present purposes : they do not affect the argument one way or the other. The general recommendation however is that the Governor General in Council should permit sugar factories to manufacture power alcohol out of molasses. The position at present is that it is already within the competence of the local Governments to permit the manufacture of alcohol should they so desire. Excise is a provincial subject under the Government of India Act and it would not be within the competence of the Governor General in Council to issue orders to this effect. The Local Governments can be approached and, provided that the local excise laws and statutory rules are complied with, there is nothing to prevent any sugar factory in India today from manufacturing this alcohol. In the course of the process of manufacture some kind of

[Mr. P. C. Tallents.]

excisable, potable drink would be produced. Whether it would be very palatable to the public I do not know, but at least it would have the virtue of being very powerful and would need regulation.

Now, Sir, no one has so far raised the question whether this power alcohol which is to be manufactured at Indian sugar factories is to be liable to the excise duty on motor spirit if it is so used. I think I should take this opportunity of emphasising that there would be no justification at all for exempting this spirit from the normal excise duty of 10 annas a gallon. That duty at present brings in to the central Government a revenue somewhere in the neighbourhood of five crores of rupees a year, and there is no justification for making inroads on this source of revenue simply to encourage the manufacture of a bye-product in sugar factories.

Now, Sir, I turn to the first part of the Resolution and I am bound to say that there are grave difficulties lying in the way. The Honourable Mr. Miller has very clearly stated some of them already, and I hope that if in the course of my argument, I cover some of the ground which he has already covered, the House will excuse me. To begin with, there are many more people in India interested in motor transport than in the sugar industry. The Government of India and all Governments in India are very often accused of delay. Well, Sir, what would happen if the Government of India were tomorrow to enact legislation such as that suggested in this Resolution? India would be almost at a standstill. The power alcohol would not be available; motor cars would have to be shut up in their garages and tongas would again come into use. Only a few minutes ago we heard Sir Phiroze Sethna complaining of the difficulty and time taken in moving about in Delhi. If he were forced to move about in a tonga, it would take him three or four times as long. I am sure he would not appreciate that, nor would any other Honourable Member. And this inconvenience would not be confined to the owners of private motor cars. The humblest villager who rides in a motor bus would find the bus unable to run owing to the absence of any mixed motor spirit to put into the tank.

Another point is that, if this power alcohol was manufactured at sugar factories, these factories in most cases are not accessible to centres where the alcohol could be readily mixed with petrol. Ordinarily the place for making the mixture would be at a port. If this power alcohol had to be sent a long way down to a port to be mixed and then brought up-country again, the cost of motor spirit to the consumer would be very greatly increased. Again, an enormous organisation would be required to enforce any such legislation. Honourable Members as they motored along the roads of their native districts would be liable to be held up and tests would be taken of the petrol in their tanks. And, if it could be shown that the mixture was not in accordance with the law how could it then be proved that the owner or driver of the car was aware of the fact? How could it be proved where he had obtained this petrol? If such a law were enacted, the public would be subjected to endless petty harassments, which I am sure would be most keenly resented all over the country.

At the present time it has been reckoned that the cost price of petrol landed at a port in India is in the neighbourhood of four or five annas a gallon, whereas, even under the most favourable conditions, the cost of producing power alcohol at a distillery is certainly not less than twice that figure. The only deduction that one can draw from these figures is exactly

the opposite of the conclusion drawn by the Honourable mover of the Resolution. One of the justifications for moving this Resolution was that he was going to bring down the price of motor spirit to the consumer. As far as I can see, the very opposite would be the case. The actual production of the power alcohol would cost more than the landed cost of petrol at the ports, and the inevitable result would be an increase in cost to the public. This would be keenly resented throughout India.

The Honourable Member enumerated certain advantages in the use of alcohol over motor spirit. I think that the advantages he enumerated were those to be derived from using pure alcohol, and if pure alcohol was to be used that would mean an entire re-designing of the engines. However, as Mr. Miller pointed out, even in the case of mixtures it has not yet been proved that a mixture is suitable for motor transport in India, and it is possible that particularly in the monsoon it might prove less suitable than pure petrol.

Another reason which the Honourable Member adduced in favour of the Resolution was that this was going to help unemployment. Well, Sir, even if you increase the employment in the sugar factories, you are going to reduce the employment in the oilfields, where this petrol is at present produced. What you give with one hand, you take away with the other. I do not think it can be alleged, taken all round, that his proposal is going to increase the amount of employment in India.

I hope that I have said enough to show that for the Governor General to introduce legislation at once on the lines proposed by the Honourable Member is unthinkable; it could not be done. A complete deadlock would take place in India. The industry on behalf of which the Honourable Member was speaking has after all already been protected at a great cost to central revenues. If the implications of his Resolution are brought out, I feel confident that he will realise that such a scheme at present is quite impracticable. The Government of India have been considering for some time past this question of the disposal of molasses and they are still considering it. The views which I have expressed are not the final views of the Government of India, but I have thought it necessary to point out the very great difficulties in giving effect to any such scheme as that which is recommended by the mover of the Resolution. No steps in this direction could possibly be taken without very careful examination, as Mr. Miller suggested just now. I hope, Sir, that the Honourable Member will not therefore press this to a division.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I regret that the Resolution has been opposed by the Government and by my friend Mr. Miller. So far as my friend Mr. Miller's position is concerned, I may be pardoned if I say that when he said that my speech has not convinced him it was but right, because his speech was prepared before my speech was delivered, and therefore there was no question of conviction after hearing the speech. It is a very straight way in which he has said that my speech has not convinced him, but I regret that it has not convinced the Government also. I think they both are thinking alike, as great men do think. Therefore Mr. Miller was right in saying that it has not convinced him.

Sir, the Honourable the Finance Secretary has made out one or two points which I must answer. He said that I am speaking on this Resolution for co-operative societies. I take credit and I am proud when he makes remarks like that. I am indeed a great champion of the co-operative movement,

PARSI MARRIAGE AND DIVORCE BILL.

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

because I do believe that this is the one movement which can solve the problem of the masses in India. Sir, my Resolution is very general. It deals with all factories and I have simply said that these factories should especially be given permission to make alcohol. That is all. I did not say that no other factory but co-operative factories should be given this permission. My Honourable friend said that there are only six co-operative factories out of which three are working and asked how they will be able to meet the problem. The problem is faced by all factories and the permission if given should be given to them all. Then, Sir, my friend said that the local Government can give this permission. I admit that the local Government can give permission to manufacture alcohol out of molasses; but unless there is legislation, an all-India legislation, on the basis that I have suggested in my Resolution, what would be the use of alcohol manufactured by these factories? Unless the consumption is assured, it is no use manufacturing alcohol, and therefore, Sir, it is very necessary. When I moved this Resolution, my object was that if Government expressed its intention to legislate, the factories would naturally approach provincial Governments and ask for permission to manufacture alcohol out of molasses. Then my friend, the Finance Secretary, keeping his eye on the finances as he should do, asked what about the money he would lose on account of the duty on petrol? I quite admit that Government would lose a certain percentage of the duty they are getting on petrol. It all depends upon the experiment—what percentage would be suitable for India. When we know that, we can say how much Government will be losing in the duty. But, Sir, they have already levied a high excise duty on the factories, by which more than half their profits go into the coffers of the Government. If it is so and if they lose a little and encourage this industry in India I think they will be greatly helping the indigenous industry of the country. So, Sir, that is not a very important point. Then, Sir, he said that it would be very costly to remove this alcohol from these factories to the central places for mixture with petrol. Sir, we all know that there are so many distributing centres in each province and those centres are not very far off from these factories, therefore the cost will not be as much as that of petrol coming from presidency towns. We know, Sir, that petrol is being sold at Bombay and Calcutta at about 14 or 15 annas. (*Some Honourable Members*: “Rs. 1-4-0 or Rs. 1-5-0”.) I find that the price is Rs. 1-5-0, but in my province it is sold at Rs. 1-10-6, and so if a certain percentage of alcohol is mixed in my province, the Punjab and Bihar and Orissa, they will be getting much cheaper petrol. For these reasons I find that my Resolution is very reasonable and I do not see my way to withdraw it.

THE HONOURABLE THE PRESIDENT: Resolution moved:

“This Council recommends to the Governor General in Council to introduce legislation to make it obligatory to mix a certain percentage of alcohol in motor spirits and to permit sugar factories, specially those working on co-operative lines, to manufacture alcohol out of molasses”.

The Question is:

“That that Resolution be adopted.”

The Motion was negatived.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muham-
madan): Sir, I beg to move:

“That this Council do recommend to the Legislative Assembly that the Bill to amend the law relating to marriage and divorce among Parsis be referred to a Joint Committee of this Council and of the Legislative Assembly and that the Joint Committee do consist of 12 members”.

The House will remember that at the Simla session on the 15th August last I introduced a Bill further to amend the Marriage and Divorce Act No. XV of 1865. A week later I moved that the Bill be circulated for opinion. These opinions have now been received by Government and printed copies have been in the hands of Members for the last four or five days. The next step in the ordinary course of business would be for me to move that the Bill and the opinions received be referred to a Select Committee of this House. Instead of doing so, I have moved the Motion which I have just read out and I trust the Council will accept it. I have suggested reference to a Joint Committee of the two Houses for the reason that thereby there will be on the Joint Committee an adequate representation of the members of the small Parsi community, which community alone will be directly affected by this Bill, and secondly that, if it is so referred to a Joint Committee, then the Bill after it has passed this House will have its progress in the other House greatly facilitated. That, Sir, is my reason for proposing a Joint Committee. I will only observe just now that the Parsi community is small in numbers. I would like to give the House some figures. According to the 1931 census, the total population of the Parsi community throughout India was 111,853, which however shows an increase of 7·8 per cent. on the figures of the previous census of 1921. Of these 111,853, as many as 15,304 are in the Indian States and the remainder, 96,549, in British India. Out of this 96,549, as many as 89,544 are in the Bombay presidency, and 57,765 in the City of Bombay itself. This will show that Bombay is the stronghold of the community. The opinions received are many, but the majority are from the Bombay presidency, as is but natural because more than three-fourths of the Parsi population of India live in the Bombay presidency. Those Members who care to go through the opinions will find that they are almost all in favour of the Bill. All recognise the necessity of amending the existing Act, which is 70 years old. There are only two opinions against it.

THE HONOURABLE THE PRESIDENT: All these remarks you should reserve for the consideration stage. They are not pertinent at present.

THE HONOURABLE SIR PHIROZE SETHNA: I do mean to do that, Sir. I was just going to say that there are only two opinions against, and that the great majority are in favour of the Bill. However I shall deal with that later as I shall have an opportunity of discussing the merits of the Bill when the Joint Committee submits its report. I therefore trust that the Council will accept my recommendation to refer this Bill to a Joint Committee of the two Houses.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I would just like to explain the attitude of Government towards the Motion which has just been made by the Honourable Sir Phiroze Sethna. I can assure him that we cordially support the Motion before the House that this matter

[Mr. M. G. Hallett.]

should be considered by a Joint Committee of the two Houses, and we also fully agree with the two reasons given by Sir Phiroze Sethna for that Motion, *viz.*, that in the first place we should get a larger, more representative committee and should be able to get more representatives of the community affected, and secondly, that it will, we hope, expedite procedure in the final stages when the Bill comes up for consideration.

Government have seen the various opinions which have been obtained by means of circulation and there is no doubt that the Bill has been very thoroughly circulated indeed, and that all members of the community, of whatever position, of whatever class, have had an opportunity of expressing their opinion. There appears to be a strong majority in favour of the Bill but there is a minority who object to certain clauses and those clauses will, of course, have to be very carefully considered by the Select Committee and I have no doubt that we shall be able to reach an agreement in the Select Committee on the points which they have raised. Some of them object to the more drastic provisions of the Bill but as I have said the majority recognise fully that it is time that the Bill passed 60 or 70 years ago should now be amended. Government therefore fully support the Motion which has been made that the Bill be referred to a Committee of the two Houses.

The Motion was adopted.

The Council then adjourned till Five of the Clock on Thursday, the 28th February, 1935.

COUNCIL OF STATE.

Thursday, 28th February, 1935.

The Council met in the Council Chamber of the Council House at Five of the Clock, the Honourable the President in the Chair.

PRESENTATION OF THE GENERAL BUDGET FOR 1935-36.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir I rise to present the statement of estimated expenditure and revenue of the Governor General in Council for the year 1935-36 in respect of subjects other than Railways. Honourable Members will find a detailed statement of the estimates in the printed papers which will presently be placed in their hands. I shall follow the example of my predecessors in confining myself in this speech to an explanation of their main features.

2. When Sir Alan Parsons presented the current year's estimates to the House a year ago, it was anticipated that the surplus of the year 1933-34, then drawing to a close, would amount to Rs. 1.29 lakhs which, it was decided, should be set apart to meet the expenditure that the Central Government undertook to defray in the Provinces, principally the province of Bihar, in which I was then serving, which had suffered from the earthquake. In the event the surplus has proved to be very much larger than was expected and amounted in fact to 2.72 lakhs.

Amongst the causes which contributed to this unexpectedly large surplus the principal were the payment of large sums of duty on salt cleared before the end of the year by dealers who anticipated a rise of the duty at the beginning of the current year, a rise in customs revenue, and the failure of holders of Government securities to draw interest.

3. The House will remember that the Central Government undertook to assist Bihar by bearing the whole cost of restoring the property and finances of the local bodies involved in the earthquake, and the whole of the cost of the special measures taken by the Local Government for dealing with the sugarcane crop. They also undertook to defray half the cost of restoring the Local Government's own buildings and other public works. It was the intention that this expenditure on Government buildings should be treated as capital expenditure, but it has now been decided to debit it against the surplus. The total of these three items is at present estimated to amount to 1.81 lakhs. There are also certain outstanding liabilities in regard to the loans advanced by the Government of Bihar and Orissa to agriculturists and for the re-building of houses, and we are committed to giving 6 lakhs to Bengal for earthquake restoration. It has therefore been decided to leave 2.10 lakhs for the present in the suspense account and to transfer 62 lakhs from that head to the general balance where it becomes available automatically for debt redemption.

4. I now turn to the current year. When the budget was passed a year ago, it was anticipated that there would be a small revenue surplus of just

[Mr. P. C. Tallents.]

over 10 lakhs. I am glad to say that the event has proved more satisfactory than the anticipation, and that the revenue surplus of the current year is now estimated to amount to 3,27 lakhs. Expenditure has increased beyond the estimate to the extent of 70 lakhs, but this has been more than counterbalanced by an improvement of revenue of no less than 3,87 lakhs. This large increase has occurred almost entirely under the Customs head, under which three items alone account for an improvement of 3,40 lakhs. The import duty on sugar has yielded 1,70 lakhs, that on cotton fabrics 90 lakhs, and that on yarn and textile fabrics other than artificial silk 80 lakhs more than was expected. In the case of sugar the working season of the Indian mills has only recently begun and it is doubtful if we shall realise the excise duty on sugar to the full budgeted figure; we have therefore reduced the revised under the excise head by 32 lakhs. Apparently the switch-over from imported to locally manufactured sugar is not being so quickly effected as was expected last year. We expect that the excise duty on matches will fall short of the budget by 23 lakhs.

5. Under Income-tax the revised estimate for this year is the same as the budget. Under Salt there is a drop of 18 lakhs owing to the heavy clearances at the end of the preceding year to which I have already referred.

6. The Posts and Telegraphs department shows an increased net revenue of just under 28 lakhs, an anticipated deficit of 14 lakhs having been converted into a surplus of the same amount. This figure reflects the general improvement in economic conditions during the year, mostly in increased sales of stamps, and is also partly due to the increased use of telephones and the maintenance of the book packet traffic in spite of the increase in the initial charge made last year. This is the first occasion on which a surplus has been realised by the department since 1926-27, but it must be remembered that even this has only been realised with the assistance of a draft of 27 lakhs on the departmental depreciation fund.

7. Under Interest there is expected to be an improvement of 26 lakhs over the budget, an increase of 94 lakhs in the form of interest on the Gold Standard Reserve being neutralised to the extent of 67 lakhs by the decision to charge the Bahawalpur State no interest this year on the loan of about 12½ crores which it has taken. The greater part of this loan was advanced to the State at the rate of 5½ per cent. The State is finding it impossible to pay interest at the present time, and in view of the reduction of their own borrowing rate Government are now considering the possibility of a revised settlement. There are, however, so many uncertain factors in the situation that it is thought wiser to postpone a permanent settlement for the present, and meanwhile to accept the situation and charge no interest for this year or the next—a fact which will, of course, be borne in mind when the final settlement comes to be made.

8. As regards expenditure, I shall refer only to the increase from 1,26 to 1,69 lakhs under Miscellaneous adjustments between the Central and Provincial Governments. When the budget was presented last year, provision was made for the transfer to the jute growing provinces of half the proceeds of the duty on jute exported. As passed, the budget only provided for the transfer of one-half of two-thirds of the amount of the duty, owing to certain misgivings as to our revenue; but in the discussion on the Match (Excise Duty) Bill Sir George Schuster promised that if the budget turned out better than was expected, the full half would be transferred. That undertaking is now being implemented at a cost of 43 lakhs. The result of these various factors is, as

I have said, to leave us at the end of the year with a surplus very much larger than we anticipated. The surplus is a non-recurring surplus and cannot be used for meeting expenditure of a recurring nature. The proposals of Government for dealing with it are as follows.

9. In the first place, it is proposed to take the opportunity of charging to revenue the cost of the Civil Aviation programme (93 lakhs), and the transfer of the Pusa Institute (36 lakhs), which it had been decided with some misgivings to charge to capital. Whatever benefits might have accrued to the country from these two schemes in the long run, they could hardly be regarded as remunerative in the strict sense of that word.

10. Government's other proposals for dealing with the surplus are as follows:—

- (i) A sum of 1,00 lakhs will be set aside for economic improvements in rural areas. This subject is primarily a provincial one, but during the years of financial embarrassment the Local Governments have found it impossible to provide adequate funds to prosecute schemes of this nature. With nine out of every ten persons in India living in villages and the Provincial Governments still unable to finance schemes for the improvement of life in the villages, the Government of India think that the first claim on their surplus comes from the villages. A part of this sum will be set aside for promoting the co-operative movement. The new Reserve Bank is obliged by Section 54 of the Act to create a special agricultural credit department, and Mr. Darling, an experienced officer of the Punjab, has been touring India in order to report and advise on this matter. He will also report on the present state of the co-operative movement and on receipt of that report, the Government of India will decide how this money which is to be set apart for the promotion of co-operation can be most suitably utilised. As regards the schemes on which the balance of this allotment will be utilised, it is proposed that they should be approved by the Government of India and that they should be such schemes as the Local Governments would not otherwise have been able to undertake in the immediate future. Although the approval of the Central Government will be necessary, the suggestions will of course come from the Provinces.
- (ii) A sum of 40 lakhs will be added to the Government of India's reserve in the Road Development Fund. This reserve is used for financing roads of special importance or in parts of India where assistance is specially needed. The scope for development in this direction is still great, and money prudently invested in improving the system of communications is money well spent. It is the intention that the case of Assam should receive special consideration in connection with this allocation.
- (iii) It is proposed to spend a sum of 25 lakhs on schemes of development in the tribal areas on the North-West Frontier, chiefly on roads. The Government of India are satisfied after very careful consideration that this expenditure is amply justified on financial no less than on political grounds, and that there is no more effective means of ensuring a reduction in the heavy expenditure which it has unfortunately been necessary to incur from time to time on military operations in the tribal areas in the past.

[Mr. P. C. Tallents.]

- (iv) Finally, it is proposed to provide 20 lakhs for the development of broadcasting. It is the intention to improve the existing transmitting stations at Calcutta and Bombay and to develop stations at Delhi and Madras. If any Honourable Member has any doubt about the imminence of the development of this new service, I would refer him to the figures of customs duty levied on wireless apparatus. In 1931-32 a sum of just over 1 lakh was realised; in the current year we budgeted for 3 lakhs, and the revised has been increased to 7 lakhs; and next year we are budgeting for 8 lakhs. It is desirable that steps should be taken to satisfy this rapidly increasing demand.
11. The total of these six items amounts to 3.14 lakhs, which, being deducted from the surplus of 3.27 lakhs, leaves a balance of 13 lakhs. This sum together with the 62 lakhs from the surplus of 1933-34 will be added to the balance and go towards the reduction of debt.
12. So much then for the current year and for the manner in which it is proposed to deal with its surplus. I turn now to a subject which Honourable Members are probably awaiting with a more lively interest, namely, the estimates for the coming year.
13. And first let me refer to the subject, which has recently been much ventilated in the press, of the cut in pay. As the Honourable Finance Member announced the other day, this cut will not be re-imposed next year either on the All-India Services or the Services under the rule-making powers of the Central Government. A very specific undertaking was given and repeated that this would be the first of the emergency measures to be removed when opportunity offered, and Government have felt bound to make that undertaking good. The cost will be 1.08 lakhs in the year, including the cost of the Army and Posts and Telegraphs Department but excluding Railways. Against this must be set increased income-tax receipts from Government servants of 16 lakhs, so that the net increase is 92 lakhs. This accounts for practically the whole of the increase in the expenditure proposed for next year.
14. If no change is made in the scale of taxation now in force, we estimate that the revenue of 1935-36 (excluding of course railway revenue) will amount to 90 crores and 19 lakhs and that, if no increase of any importance apart from the restoration of the pay cut is made in our expenditure, our expenditure will amount to 88 crores and 69 lakhs.
15. I will deal very briefly with the principal heads of revenue and expenditure for next year.
16. Under Customs we anticipate an increase of 4.16 lakhs over the current year's budget and of 75 lakhs over the revised. The prospects of revenue under this head are generally favourable except as regards sugar. It is probable that the switch-over from imported to indigenous sugar which did not occur this year will occur next. We have accordingly allowed for a decrease of 2.00 lakhs as compared with the revised under the head of import duty against which may be set the very much smaller increase of 35 lakhs which we have made under the head of excise.
17. Under Income-tax, apart from certain proposals to which I shall presently refer, the budget is better than the revised by 51 lakhs, 35 of this reflecting the improvement of incomes in the current year, and 16 the restoration of the pay cut next year.

18. For Salt we are taking the same figure as this year's budget which is 18 lakhs better than this year's revised.
19. Under Opium there is a further fall of 10 lakhs below the revised. Our dealings in provision opium will cease altogether in the course of next year.
20. In the Posts and Telegraphs Department we expect next year a net deficit, taking the revenue and expenditure heads together, of 13 lakhs. This is due to the restoration of the pay cut, which in the case of this Department will cost 27 lakhs. The scale of contributions to the depreciation fund has recently been engaging the attention of a committee of experts. No final orders have yet been passed on their recommendations, but Government have, in anticipation, decided to reduce by 10 lakhs the sum that would have to be contributed to the fund next year according to the old formula.
21. Under the head Interest we again waive the amount due from Bahawalpur State. More important, we lose the interest on the securities in the Gold Standard Reserve amounting to about 1½ crores of rupees which is being transferred to the Reserve Bank.
22. The drop of 22 lakhs of revenue under Currency and Mint is primarily due to the transfer to that Bank of the Paper Currency Reserve and the loss of the interest on the securities contained in it. On the other hand, we are taking credit for 50 lakhs as our share of the Bank's profits for next year.
23. On the subject of next year's expenditure I propose to be very brief. The heavy drops under Civil Administration and Extraordinary are due to the inclusion in this year's revised estimates of the projects which I have mentioned as those to which Government propose to allocate the current year's surplus, expenditure which will not be repeated next year. There is a large reduction of 93 lakhs in the interest on Ordinary Debt due principally to successful conversion operations. On the other hand, there is a big increase of 1.04 lakhs under Interest on Other Obligations of which the principal ingredient is an extra 60 lakhs for bonus on Post Office Cash certificates.
24. For the Reduction and Avoidance of Debt we are providing 3 crores as in the current year, which sum we regard as a sufficient provision in the absence of a contribution from the Railways.
25. The net provision for Defence expenditure next year amounts to 44 crores and 98 lakhs. In 1929-30 the net expenditure on Defence amounted to 55 crores and 10 lakhs; it then started to fall progressively till it reached 44 crores and 35 lakhs in this year's revised. Next year's increase is primarily due to the restoration of the pay cut which accounts for 53 of the 63 lakhs. During the years of ruthless retrenchment many necessary replacements were postponed, and the time has come when in the interests of economy some of these charges can be postponed no longer. A sum of 67 lakhs in all is being provided next year for this purpose, which has been made possible within the budgeted figure by close budgeting and economies in other directions.
26. The sum total of next year's expenditure amounts, as I have already stated, to 88 crores and 69 lakhs which, being deducted from 90 crores and 19 lakhs, the sum total of the revenue, leaves an available margin of 1.50 lakhs. I have now to explain to the House how Government propose to deal with this surplus.
27. Government have recognised that after the removal of the pay cut the first relief to be afforded is the removal of the surcharge on the income-tax and super-tax. The removal of the whole of the surcharges on the super-tax and income-tax would cost 3.34 lakhs in a year, and the removal of the tax on the smaller incomes below Rs. 2,000 a year would cost another 75 lakhs.

[Mr. P. C. Tallents.]

The surcharge and the tax on small incomes clearly therefore cannot be abolished at one stroke. Government propose to reduce the surcharge and the tax on small incomes next year by one-third at a cost of 1,36 lakhs. The relief is not so much as Government would have wished to give, but it is all that can be afforded.

28. Government also propose to give relief in one other direction. The export trade in skins has been reduced this year to a little more than half of what it was during the corresponding period of the year before. Government think it desirable to sacrifice the 8 lakhs of revenue which they might have expected to receive from the export duty on skins during 1935-36 in order to safeguard India's export trade in this article. The budget therefore provides that this export duty will be abolished.

29. It is also proposed to reduce the export duty on silver from 5 to 2 annas an ounce. A great deal of silver is at present being smuggled into this country; by the proposed reduction we do not anticipate any loss of revenue and the budget therefore is not affected one way or the other. But we do hope that it will stop smuggling in the interests of honest business.

30. The budget provides that the additional import duty on salt will be retained. It is the intention of Government that this tax should be retained during 1935-36 and that the proceeds should be distributed as at present. But Government desire to make it clear that they would be prepared to remove this duty at once if there was a clear indication of the desire of the Legislature that this should be done.

31. This year we issued no sterling loans, but two rupee loans, one of 3½ per cent. loan 1947-50, and the second of 3 per cent. bonds 1941. Together these loans produced 35 crores and 80 lakhs. With the proceeds of these loans 32 crores and 42 lakhs of permanent debt bearing higher rates of interest were replaced. In the course of the year treasury bills issued to the public will be reduced by 11 crores, and the net result of the year's operations is that the unremunerative debt will be reduced by 1½ crores.

32. Exchange has been strong, thanks principally to the continued export of gold which has fallen little below the figure of the previous year. £39 millions sterling will have been remitted to the Secretary of State, of which £13·4 millions will be used to strengthen our external reserves against the note issue.

33. I have now completed my survey of the main features of the estimates for 1935-36. It has not been possible in framing the budget for the year to assume that it will be a year of unalloyed prosperity. It is true that we may now reasonably claim to have passed the lowest point of our fortunes. Such indications of reviving trade as traffic and customs returns clearly show that this is so and there is every reason to hope that, as soon as world conditions permit, India will be one of the first countries to feel the benefits of the return of prosperity. In these circumstances, it has not been possible to make any sweeping reduction of the burden of the emergency taxation, but we have taken such steps as we could, consistently with a balanced budget, to alleviate those burdens, dealing with them in the order to which the Government of India already stood committed. There is nothing dramatic or unexpected about this budget. The policy which has been followed in framing it has been the sound policy—the policy that has resulted in the credit of India standing as high as it stands today.

34. There is one other point to which I wish to refer before I conclude my speech. The introduction of the new constitution, if the Government of India Bill is passed into law, will cost money. Apart from the creation of enlarged legislatures and new federal institutions, there are other commitments to be met such as the subventions to deficit Provinces and the separation of Burma. All these will involve inroads into Central revenues which must be faced and provided for—no easy task—before we can look forward to a securely balanced Central budget.

35. I have trespassed for a long time on the patience of the House but I have now finished. I can only express the hope that what I have said will help Honourable Members to understand the papers placed in their hands and persuade them to give the proposals of Government their approval and support. (Applause.)

The Council then adjourned till Eleven of the Clock on Saturday, the 2nd March, 1935.

COUNCIL OF STATE.

Saturday, 2nd March, 1935.

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

QUESTIONS AND ANSWERS.

MESSRS. TEPLITZ AERATED WATERS CO., LAHORE.

58. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Is it a fact that Messrs. Teplitz Aerated Waters Co., Lahore, have got the contract for the supply of ice and aerated waters on the Northern Section of the North Western Railway, from Lahore to Peshawar ?

(b) Is it a fact that the Divisional Superintendent, Multan, reported the work of the said Company as unsatisfactory at the end of the last season ?

(c) If the answer to (b) above be in the affirmative, what action, if any, have Government taken in the matter ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes.

(b) Yes, but the Agent, North Western Railway, states that the complaints made were not of a serious nature and that the work of the Company was reported to be satisfactory on the three other divisions which form part of the area for which they hold the contract.

(c) The Agent states that the Company were instructed to make special efforts to avoid a repetition of the circumstances which had given rise to the complaints.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Will the Government consider the desirability of not giving any further additional contracts to Messrs. Teplitz Aerated Waters Co., in face of the fact that their work has been found unsatisfactory ?

THE HONOURABLE THE PRESIDENT : That is too long a question and I will not permit it.

MESSRS. TEPLITZ AERATED WATERS CO., LAHORE.

59. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Is it a fact that Messrs. Teplitz Aerated Waters Co., Lahore, sublet the contract on the Mandura Bhuan section in the Rawalpindi division to one Thakur Das ?

(b) Is it a fact that the said Company sublet the contract in the Multan division also ?

(c) Is it a fact that such subletting of contracts is prohibited ?

(d) Is it a fact that the Divisional Superintendent, Rawalpindi, conducted an enquiry and found that the said Thakur Das had carried unauthorised passengers in the ice compartments?

(e) If the answers to (a), (b), (c) and (d) above be in the affirmative, what action, if any, have Government taken in the matters referred to above?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) and (b). No.

(c) Subletting of contracts is not permitted.

(d) The Agent, North Western Railway, states that a complaint against Thakur Das, an iceman of the Company, for carrying unauthorised persons in the compartment reserved for the sale of ice and aerated waters, was investigated but the charge was not fully proved. The Manager of the Company was asked to dispense with the man's services and not to re-employ him on this work.

(e) Does not arise.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know if the contract was not sublet to one Mr. Thakur Das?

THE HONOURABLE SIR GUTHRIE RUSSELL: I have already said in reply to (a) and (b) that the contract was not sublet to Mr. Thakur Das.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Was any inquiry made by the Government?

THE HONOURABLE SIR GUTHRIE RUSSELL: An inquiry was made by the North Western Railway.

MESSRS. G. S. PATTERSON & Co., ICE CONTRACTORS.

60. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Is it a fact that the contract of Messrs. G. S. Patterson and Co., Ice Contractors on the Eastern Section of the North Western Railway, from Delhi to Lahore, was cancelled on account of one of the partners of the said firm having sold his interest in the firm without informing the Agent, North Western Railway?

THE HONOURABLE SIR GUTHRIE RUSSELL: The Agent, North Western Railway, states that the contract was terminated under clause 19 of the agreement as the Company had infringed clause 22 thereof by assigning the privilege under their contract to another firm without his permission.

PAY AND ALLOWANCES OF TICKET EXAMINERS ON CERTAIN STATE RAILWAYS.

61. THE HONOURABLE SHAIKH MUSHIR HUSAIN KIDWAI: Has the attention of the Governor General in Council been invited to the open letter dated Simla, the 9th October, 1934, addressed by the National Federation of Railwaymen, Delhi, to the Chief Commissioner, Railways, regarding the pay and allowance of the ticket examiners on certain State Railways in India? If so, will Government please state:

(a) Whether the statements and references quoted therein are correct?

(b) If the reply to part (a) be in the negative, in what respect and to what extent they are incorrect or inaccurate?

(c) Whether the claim to average mileage allowance or 75 per cent. of the pay treated as pay is in order?

(d) If the reply to part (c) be in the negative, how and why it is not in order?

(e) What action has been or will be taken by Government on this letter? If none, why?

THE HONOURABLE SIR GUTHRIE RUSSELL: The answer to the first part of the question is in the affirmative.

(a) to (d). It is not possible for me in the short space of a reply to a question in this House to deal with all the arguments in the letter.

(e) The letter will be examined carefully by the Railway Board but, so far as I can see from a cursory examination, it brings forward no points which have not already been considered.

SHORT NOTICE QUESTION AND ANSWER.

62. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government of India be pleased to state:

(a) What are the names of the Committees that have considered the question of the Indianisation of the Army since 1920?

(b) What was the composition of those Committees?

(c) Which of the reports of the Committees have been published and which have not been published?

(d) If any of them have not been published, what were the reasons for not publishing them?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I welcome this opportunity of giving the information asked for and hope it will remove a certain amount of confusion and misapprehension on this subject.

The Committees were as follows:

(i) The Military Requirements Committee appointed by the Government of India in May, 1921 and consisting of the late Lord Rawlinson as President and the late Sir Mian Muhammad Shafi, Mr. (now Sir Malcolm) Hailey, Dr. (now Sir) Tej Bahadur Sapru, Mr. (now Sir Denys) Bray, Sir Sivaswamy Aiyer and Lieutenant (now Lieutenant-Colonel Sir) Hissam-ud-Din Khan, as members. The Committee reported in July, 1921. Its report was not published because the Committee itself unanimously recommended that both its report and the evidence of the witnesses who appeared before it should be treated as secret documents and in no circumstances ever be made public.

(ii) The so-called Shea Committee on the Indianisation of the Indian Army, appointed by the late Lord Rawlinson in 1921 and consisting of General Sir John Shea, the officiating Chief of the General Staff, as Chairman and Generals Delamain, Macmunn, Black, Cory and Parr and Colonels Charles,

Nevile, Coleridge and Shea, all of whom were senior staff officers of Army Headquarters as members. The Committee reported in January, 1922. Its report was not published because it dealt with matters of military policy extending beyond the limits of the Indianisation problem, which it was not in the public interest to make known. A summary of their proposals relating to Indianisation was, however, furnished to the members of the Defence Sub-Committee of the first Round Table Conference.

(iii) The Indian Sandhurst Committee appointed by the Government of India in June, 1925 and consisting of the late General Sir Andrew Skeen, the Chief of the General Staff, as Chairman and the late Pandit Moti Lal Nehru, Mr. Jinnah, Sardar Sir Jogendra Singh, Sir Phiroze Sethna, Diwan Bahadur Ramachandra Rao, Nawab Sir Sahibzada Abdul Qaiyum, Captain Hira Singh Brar, Dr. Ziauddin Ahmad, Captain J. N. Banerjee, Major Thakur Zorawar Singh, Captain Haji Gul Nawaz Khan, Major Bala Sahib Daffe and Sir Ernest Burdon. The Committee reported in November, 1926. Its report was published.

(iv) The Indian Military College Committee appointed by the Government of India in May, 1931 in accordance with the recommendation of the Defence Sub-Committee of the first Round Table Conference and consisting of myself as Chairman, and three senior staff officers of Army Headquarters, the then Army Secretary, Sir George Anderson, Khan Bahadur Sharbat Khan, Sir Abdur Rahim, Sir Sivaswamy Aiyer, Rao Bahadur Chaudri Chhotu Ram, Lieutenant-Colonel (now Sir Henry) Gidney, Dr. Moonje, Mr. S. N. Mukerji, Captain Sher Mohammed Khan, Lieutenant Narain Singh Bahadur, Major-General Rajwade, Colonel Lachman Singh and Lieutenant-Colonel Mirza Kadar Beg as members. The Committee reported in July, 1931. Its report was published.

In addition, in accordance with a further recommendation of the Defence Sub-Committee of the first Round Table Conference, an expert investigation was initiated in April, 1931 by members of my staff under my direction into the question of the reduction of the number of British troops in this country. This investigation naturally necessitated consideration of the problem in relation to its effect upon the capacity of the Army in India as a whole to carry out the various tasks assigned to it, and this involved a careful study of the implications of the Government's policy in regard to the Indianisation of the Indian Army. The results of the investigation were submitted to Government in June, 1931. For obvious reasons these could not be published *in extenso*, but a press communique summarising them was issued in December, 1933.

GENERAL DISCUSSION OF THE GENERAL BUDGET FOR 1935-36.

THE HONOURABLE THE PRESIDENT: The General Discussion on the Budget (Part II) will now proceed. I will not prescribe a time limit for speeches but I would request Honourable Members to be as brief as possible as regards the duration of their speeches.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Mr. President, the Honourable the Finance Secretary delivered his budget speech late on Thursday afternoon. The House received it with appreciation both because of its clarity and its conciseness. There is, however, one point to which I would ask some of my colleagues to draw your

attention, Sir, as also that of the Finance Department. As I have said, the speech was delivered late on Thursday afternoon and we are asked to discuss the budget this morning, which practically gave the Members only one day to digest the speech as well as the material sent along with it. In that respect the other House will have the advantage over us by not commencing the discussion till Tuesday next.

THE HONOURABLE THE PRESIDENT: May I inform the Honourable Member that the President has nothing to do with the fixing of the date? The power lies with the Governor General to allot the date for the discussion of the budget.

THE HONOURABLE SIR PHIROZE SETHNA: The Honourable the President will kindly convey the wishes of the House to His Excellency the Governor General. I am sure His Excellency will accede to your request, which will meet with our wishes.

Mr. President, the Honourable Sir James Grigg, the Finance Member, has presented this year his very first budget. He has come to this country with a great reputation and we have no doubt that by the time he hands over charge to his successor, that reputation will be greatly enhanced. We see in the papers today some criticisms of the budget, which is called half-hearted, disappointing and featureless. That may be the view of one section of the community, but I think the Finance Department and the Government would better gauge the feelings of the country by knowing what the commercial communities think of the budget, and I am glad to inform the House from telegrams which some of us, business men, have received from such commercial centres as Bombay and Calcutta that they regard the budget as a very favourable one.

Mr. President, I would particularly draw the attention of the House to the first and last paragraphs of the speech of the Finance Member. In the last paragraph, he says that this budget will completely satisfy very few people. Speaking about himself, he adds that he would have very much wished to remove the whole of the emergency taxes on income. This is indeed a very laudable ambition, and we trust that before long he will succeed in that purpose,—not only in removing the emergency taxes on income, but in appreciably reducing the income-tax and super-tax that is levied in this country. In the first paragraph of his speech, the Honourable the Finance Member says that it is to him somewhat confusing to find that he has to present three sets of accounts. It appears to me, reading between the lines that perhaps the Finance Member will before long introduce certain changes in the method of preparing the budget, and if he does so, it will be a very welcome change indeed. I may in this connection be allowed to make a suggestion. The budget is at present prepared in the conventional departmental manner. Not only the man in the street, but also the politician and the publicist cannot make much headway with the figures that are given unless they are presented in a better form. We are furnished with a lot of details which are certainly very helpful. As for example, we are told what is the amount of revenue, what is the amount of expenditure, the values of our exports and imports and also how much revenue is derived from taxes and how much from non-tax sources. We are also given an account of our debts and various other matters. If any one however asks us questions in regard to the average income per head of population in this country, or whether the country is progressing materially or retrograding, or whether the standard of living is improving or not, I do not think that the material supplied to us

[Sir Phiroze Sethna.]

will enable us to answer such questions. It is therefore that I suggest that a change in that direction will prove helpful. What is more. In enlightened countries in the West, all particulars and data in regard to the average income are carefully examined and the results given to the public, and I hope the Finance Department of the Government of India will do likewise. I would also like the Honourable the Finance Member in the other House and the Honourable the Finance Secretary in this House to devote some portion of their speeches to the clarification of this subject and also other cognate subjects. After all, the taxpayer or the voter on whom the Government relies for its sources of income is naturally anxious to know how he stands, whether he is going up or going down. If Government enlighten him on this subject, it will mean that he will get a better conception of the manner in which the finances of the country are administered, than he can by wading through the piles of figures and the observations which are made in the speeches.

It was towards the end of 1929 that not only India but the rest of the world came upon evil days in the matter of severe economic disturbance and depression. We have to congratulate Government for the manner in which they have faced the situation these last few years. They have now been able to turn the corner. As an Indian, I cannot help remarking that if the Government of India had taken the advice of Indian politicians and Indian financiers and fixed the rate of exchange at the figure which we asked for, perhaps the turning of the corner would have taken place long before now. Sir, I think it will be a splendid opportunity for the new Finance Member to signalise his period of office in this country by taking up this question once again and fixing such a ratio of exchange as will prove to be in the interests both of the Indian taxpayer and the Indian agriculturist.

It is always a difficult question how to dispose of a surplus. Fortunately for Sir James Grigg, in his very first year of office, he is able to present a budget with a surplus. Of the different heads under which he has divided the surplus, one recommendation that has been made is acclaimed throughout the country, namely, the reservation of Rs. 1 crore to be allotted to the different provinces for the economic development and improvement of rural areas. I know it is already insinuated that this is a counter-blast on the part of Government against what Mr. Gandhi and the Congress desire to do in the matter of the uplift of villagers. But whatever that may be, any money spent for the betterment of the rural classes is money well spent, and I trust that if Rs. 1 crore has been allotted this year, it will be possible in succeeding years to allot more and more. It is for that reason that I for one favour the Indo-British pact, because it will certainly help the agriculturist and the cultivator and India is principally an agricultural country. If there is any dissatisfaction with regard to the manner of the disposal of the surplus under other heads there is some little as to the complete abolition of the cut in pay and only a small reduction in the surcharges. The pay cut was 10 per cent. originally. It was reduced to 5 per cent. some time ago, and the remaining 5 per cent. is removed in this budget. That 5 per cent. represents Rs. 108 lakhs. If we deduct Rs. 16 lakhs which Government will get back in the shape of income-tax, it will leave Rs. 96 lakhs. In paragraph 38 it is pointed out that the removal of the surcharges altogether would amount to Rs. 334 lakhs a year, while the removal of the tax on incomes between Rs. 1,000 and Rs. 2,000 would cost a further Rs. 75 lakhs, or in all Rs. 409 lakhs. I quite admit that any recommendation which the Finance Member may make will not prove acceptable to all alike, but I for one believe that the country would

be better pleased if instead of a reduction of one-third there had been a reduction of one-half in the surcharge, etc., which would have absorbed a little over Rs. 2 crores, and instead of restoring the whole of the 5 per cent. cut in pay only 2½ per cent. had been given this time and the balance of 2½ per cent. later. That would have proved more acceptable to the country at large.

Sir, the credit of India, thanks to the efforts of succeeding Finance Members, has been very greatly advanced, particularly so during the time of Sir James Grigg's two immediate predecessors, Sir George Schuster and Sir Basil Blackett. It is partly owing to this improvement in the credit of the country that Government has been able to borrow money at as low a rate as 3 per cent., and thereby effect considerable saving in interest charges. But I cannot help observing that this is somewhat tantamount to what is made in the swings is lost in the roundabouts. If Government is getting money at this low rate of interest, it is because for the last few years the general public have been fighting shy of industries because industries were not all in a good way. They are improving now and if more money is devoted to industries, as it should be, then Government will not be able to get from the public as much funds as they are getting for investment in Government securities nor get it at the low rate of interest at which they are borrowing today. Industries must be developed to a great extent and such development in the country would help India far more than being able to borrow at 3 per cent.

Whilst on the subject of interest I would like a reply from Government in regard to the 3½ per cent. irredeemable Government paper. People have been investing in this because they know that Government have denied themselves the liberty of paying back the capital and they also believe that the rate of 3½ per cent. on these securities will remain fixed for all time. It would appear however that recently an opinion has been expressed that, whilst Government cannot refund the capital, it will be open to them if they so wish by giving a few months notice to reduce the rate of interest from 3½ per cent. to something less. I do hope that will not be the case, and even if Government have that liberty, I trust that for the satisfaction of the country at large they will give an assurance that on this irredeemable Government paper interest will continue at the rate of 3½ per cent. I say this, Sir, because this 3½ per cent. security is a great favourite with the public because of the certainty of the rate of interest. Most charities whose incomes are devoted to different purposes and the investments of widows and minors are invested in this particular security. Any difference in interest means a big drop in income. I know that in the prices of commodities, rents and other details there has been a reduction as compared with prices five or seven years ago, but certainly they are much higher than what they were 15 or 20 years ago. These charity organisations depend upon fixed incomes and we know of several cases in which the funds having been invested in other scrips than this 3½ per cent. irredeemable paper there has been a very considerable diminution of income. I am just reminded of one instance, that of the Indian Research Fund Association, which is having its annual meeting today. They have a capital of about Rs. 45 lakhs in different scrips and a reduction of only 1 per cent. in interest means a reduction of Rs. 45,000 in their annual budget; it also means the axing of officers and reductions in pay and the efficiency and work of that Association is thereby greatly impaired. And this applies equally to other associations, particularly to investments for the benefit of widows and minors.

Sir, the Honourable Finance Member has reduced the surcharges by one-third. The surcharges were fixed at 25 per cent. and they are now brought down to 16½ per cent. We are thankful to him for even this much relief, but we do hope that the balance of 16½ per cent. will also be removed before long.

[Sir Phiroze Sethna.]

A high rate of income-tax and super-tax cripples industry, inasmuch as it takes away so much money from capitalists which they would otherwise devote to the improvement of their existing industries or in the launching of new industries which they are prevented from doing today. The rate of income-tax and super-tax in this country is decidedly very high. I do not compare it with England, but as compared with other countries we certainly have a very high rate of income-tax and super-tax. But in certain instances we pay even more than is the case in Great Britain. I have the authority of officials of the largest Canadian Life Insurance Company, a company which is doing an extensive business in this country and which operates in 42 or more countries throughout the world, that they pay in income-tax more in India than they do even in Great Britain. The reason is that it was pointed out in Great Britain some years ago by life insurance companies that the profits which they pay to their policy-holders ought not to be made taxable. Their request was acceded to, with the result that life insurance companies in England today pay income-tax and super-tax at a lower rate than is the case in India. I drew the attention of both Sir George Schuster and Sir Basil Blackett to this, but they drew my attention to the financial stringency which prevailed in their days and they asked me not to pursue the point further. Now, however, that conditions are better, I trust the present Finance Member will afford relief in this matter. It does not affect life insurance alone. My European friends from their experience will be able to confirm what I say that in certain cases they have to pay a higher rate of income and super-tax in India than is the case in Great Britain.

Mr. President, you have asked us not to unduly prolong the discussion. I will therefore refer to only one other point before I conclude my remarks and that is in reference to paragraph 35 on page 12 of the Finance Member's printed speech, headed Additional Import Duty on Salt. He says he has a good deal of sympathy with the views which have been expressed in the past by Honourable Members from Bengal that an impost which has the effect of helping the producers of Aden at the expense of the consumers of Bengal is fundamentally unfair. I cannot endorse that statement and I hope I shall be able to prove it, because this duty is not in the interests of Aden manufacturers alone, but it is also in the interests of those who produce salt on the Western Coast of India. What is more? The Finance Member says that he would like this duty to continue for at least the next financial year, but in the same breath he goes on to say:

"I should perhaps make it clear that if the Assembly should prefer to remove the duty at once, in this matter at any rate we should accept its decision."

This I regard as positively unfair. Aden is still a part of India. Aden may be transferred and will be transferred, but until Aden is transferred, to discriminate in the manner the Finance Member has done in this section, I repeat, is unjust and unfair. Now, if the duty is removed, it will not be Aden manufacturers alone that will suffer; along with them also Indian manufacturers will suffer. The primary object of this additional duty is to drive out foreign competition and I do not include Aden amongst the foreign competitors. Foreign competition came from various parts. Hamburg still sends 40,000 tons of salt a year. Liverpool used to send a lot. Liverpool salt is the finest in the market. Salt merchants do not mind the inclusion of Liverpool salt to a limited extent and in fact some of us interested in the salt trade actually suggested this. What we want is to drive out salt coming from other European countries, and particularly from Italian ports within about 100 to 200 miles from Aden.

They will dump the market and the consequence will be that there will be cut-throat prices and not only the Aden manufacturers but those on the Western Coast of India will all have to go to the wall. It is in their joint interests that this duty has been imposed and it is in their joint interests that it is necessary to continue that duty. I am sure the Congress representatives in the Assembly will never agree to the removal of a duty which will favour the import of foreign salt and they will never regard Indian merchants in Aden as foreigners. It is said that the Bengal consumer suffers. As against the Bengal consumer paying perhaps a few annas more for his consumption in a whole year, look at the positive injustice you will be doing to manufacturers on the Western Coast of India and in Aden. There is salt made in the interior of the country, but that cannot be carried to Bengal because of the high railway freight, and consequently it cannot compete either with Aden salt or with salt coming from the Western Coast of India. Aden salt besides is the best of all the salts except Liverpool salt which comes into this country and the Bengalee prefers to pay a little more to get better salt as has been proved by official statements and if necessary we shall be able to satisfy the present Finance Member as well on that point. Salt from the western ports of India is gradually improving in quality but just at present Aden salt is distinctly superior and the consumer cannot do without it.

Sir, the question of the transfer of Aden has been before the House on more than one occasion. As far back as 26th September, 1921 I had brought forward a Resolution against the transfer of Aden; again as recently as 31st August, 1933 the Honourable the Leader of the House brought forward a Motion to the effect

"That the Government of India communiqué, dated the 20th June 1933, regarding the future administration of Aden be taken into consideration".

I moved an amendment which you, Sir, allowed to be substituted as a substituted Motion. My Motion was:

"That a representation be made to the Secretary of State that the administration of Aden be continued under the Government of India and not be transferred to the Colonial Office".

THE HONOURABLE THE PRESIDENT: Are you now referring to the question of expenditure on Aden or to the transfer of Aden?

THE HONOURABLE SIR PHIROZE SETHNA: No, Sir, to Aden salt.

THE HONOURABLE THE PRESIDENT: I have heard you on Aden salt. You are now speaking on the transfer of Aden?

THE HONOURABLE SIR PHIROZE SETHNA: When this question of the transfer of Aden was before the House, I brought forward certain arguments and I want to read just two or three sentences from that speech in order to show that we foresaw at the time the difficulty which has cropped up now according to paragraph 35 of the Finance Member's speech. I am quoting from the last paragraph of page 103 of the debates of this Council of the 31st August, 1933. I said:

"It has been said that we are fighting and agitating against this proposed transfer merely on the ground of sentiment. If we do so, are we not justified? Indians have been in Aden even before the British were there. The British acquired Aden 94 years ago in 1839. Indians were there before that time and because of the encouragement given by British officers more Indians followed the British flag and particularly because they had assurances that Aden would ever remain a part of the Indian Empire".

[Sir Phiroze Sethna.]

If it had remained a part of the Indian Empire no discrimination would have been suggested by the Honourable the Finance Member, as he is doing now.

"If they at any time had doubts on the subject, because of Indian experience in other colonies they would never have sunk their lakhs as they have done in buildings, shipping wharves, salt factories and in other concerns. They control in a great measure the trade of the Settlement".

This quotation will serve to show that it is only because of the proposed transfer that the Finance Member has made the recommendation to which I have just referred. Sir, when the British Indian Delegation went to England to confer with the Joint Select Committee, several members of the British Indian Delegation under the leadership of His Highness the Aga Khan waited in deputation on the Secretary of State. He assured us in reply to the deputation that Indian interests will not suffer. Here is an instance of how Indian interests will suffer. There are four large salt factories in Aden. The largest belongs to an Italian firm and the other three to Indian merchants from the Bombay side. These three have put in somewhere about half a crore of rupees, and if this recommendation is given effect to all their factories will go to the wall, and half a crore of rupees will be lost to Indian merchants. Sir Samuel Hoare was good enough to allow me to put the case before the Joint Select Committee. His distinct words were: "I will not queer your pitch; you try to convince them as best as you can". I endeavoured to do so and I am afraid I did not succeed, to judge from the recommendations that have been made.

In this connection, Sir, I would like to refer to paragraph 475 at page 277 of the Joint Parliamentary Committee's Report. I am quoting from half-way down commencing from line 45. There is no reference here to the transfer of Aden, but there is reference to the separation of Burma and the case is on all fours with what I have mentioned. It says here:

"The separation of Burma from India will create a special category of persons in Burma of United Kingdom domicile for whose protection in India provision will, we think, require to be made in the Constitution of India rather than that of Burma. We refer to the case of companies established already in Burma with United Kingdom personnel and United Kingdom capital. Such companies have established themselves in Burma as a province of British India and we think that it would evidently be inequitable if, after the separation of Burma, they are in a less favourable position in respect of their operations in British India than a company established at the same time and under the same conditions in, say, Bombay or Bengal".

I say, Sir, that the case applies to Indian merchants who have gone to Aden and spent any amount of money in improving that Settlement and therefore Indian interests in Aden would require to be carefully safeguarded and I appeal to the Finance Member to do so.

My submission therefore in conclusion to the Finance Member is not to be in a desperate hurry over this matter as he evidently is, for, as I have said, whilst he has recommended continuation of the duty for one year 1935-36, he goes on to add that if the Assembly chooses to do away with the duty immediately, he for one would have no objection, and that, I repeat, in spite of the fact that Aden is not yet officially transferred from India to the Colonies. My request, therefore, is that the Finance Member inform the Assembly that he proposes in any case to continue this duty for one year. This will give us all breathing time for twelve months and he may make what arrangement he likes for the official year 1936-37 but not before he has held a conference of the different interests concerned, namely, Bengal as the consumer, Aden, the Western Coast of India, and any others he desires to invite, and hear them

all, and only after that to arrive at an arrangement which will prove satisfactory to all concerned from 1st April, 1936. I am sure that there is nothing extravagant in the suggestion that I have made and I trust that the Honourable Mr. Tallents will convey this to the Honourable the Finance Member and see that this request which I am preferring, not only in the interests of the Aden manufacturers but also in the interests of Indian manufacturers on the West Coast of India, is represented to him and also see that effect is given to our wishes.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Mr. President, I wish first of all to congratulate our Finance Secretary on his good fortune in presenting a surplus budget. It is a matter of some pleasure to me, Sir, that it has been the good fortune of a Civilian from my province to present the first surplus budget during the last five years that I have been in this Council. Sir, we are rather missing the presence of the Honourable the Finance Member from our discussions. It has been the usual custom that the Finance Member comes to this House when we are discussing the budget and it seems a little discourteous of him to ignore this House even when the Assembly is not sitting.

I am thankful, Sir, to the people of India and to the Government of India for what they have done to remove the sufferings of the people of Bihar. They have been kind, they have been generous and they have been helpful. They did something for us last year and further provision has been made this year to help us tide over the difficulties with which we are faced. I am also thankful, Sir, that the turn of the wheel has allowed some relief to the already harassed finances of the three eastern provinces of Bihar, Bengal and Assam in the matter of jute taxes. The good fortune of the Government of India has been reflected in the enhanced contribution to those Governments. The people of these three eastern provinces are thankful for this small relief.

Sir, I very much regret that we have been forced to discuss this budget after such short notice. The time allowed to this House is very inadequate. Considering the fact that the budget is of such immense magnitude and the papers which our Honourable colleague the Finance Secretary sends to us are so numerous the time at our disposal is too short to enable us to digest them.

Sir, coming to the budget itself, I find something very gratifying, and a matter on which I have some personal pleasure. I note that the Government of India under the regime of the new Finance Member have corrected the anomalous accounting which they used to carry on in their former budgets. For the last two years I have been asking Government to eliminate from the accounting the interest payment on war loan liability which we have taken on our shoulders. Last year I brought this matter forward also and I showed that the provision of Rs. 1 crore and 42 lakhs was made in the papers of the budget but never paid on those accounts. I am very glad, Sir, that both those items under head "Interest charges" and "Sinking Fund Provision" have disappeared from these papers. It is not a matter of economy. It is simply a matter of accounting. I wish they had taken my other suggestion too in this connection about the reduction of external expenditure. I shall, Sir, show by some of the figures which I have got with me that our external expenditure is not coming down in the ratio in which it ought to come down. From the papers I find, Sir, that in the year 1932-33 the actual expenditure in England amounted to Rs. 36 crores 39 lakhs while this year the 1935-36 forecast shows that the expenditure will be Rs. 34 38 crores. This shows that there is an apparent reduction in expenditure of Rs. 1 crore and 61 lakhs. I call this an apparent decrease, Sir, because of the fact that one of the greatest

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items in our home charges was interest payment. That has come down, Sir, by means of our repayment of old debts at lower rates from Rs. 20 crores and 4 lakhs to Rs. 18 crores and 92 lakhs, which means a reduction of Rs. 1 crore and 42 lakhs in interest charges. For this reduction I do not pay any compliments because I find that interest charges reduction in England is much less than it is in India. In India, Sir, within the same period that I have discussed, the interest payment has come down from Rs. 23 crores and 38 lakhs to Rs. 19 crores and 64 lakhs, a reduction of Rs. 3 crores and 74 lakhs, or about a 15 per cent. reduction by means of repayment at lower rates of interest. Well, in the English charges the reduction is only of Rs. 1 crore and 42 lakhs, which comes to a reduction of less than 7 per cent. This reduction of interest charges in English and Indian loans shows how far our credit has either deteriorated or we have been at pains to give more interest to the English lenders. Whatever it might be, the Government cannot be congratulated on having reduced the English interest charges by 7 per cent. while they have reduced the Indian charges by 15 per cent. The real reduction of external expenditure during 1934-35 is only Rs. 19 lakhs. This, Sir, I consider to be a very small decrease and not by any means a considerable one.

Then, Sir, I very much regret that in the budget of His Excellency the Commander-in-Chief our external obligation has gone up by 3·4 per cent. His expenditure, Sir, in 1933-34 the latest actual figures that we have in the budget papers was Rs. 10·92 crores while this year he is budgeting for an expenditure of Rs. 11·25 crores from the revenue account which means an increase of Rs. 32 lakhs in the expenditure at the rate of 3·4 per cent. In connection with this army expenditure, Sir, I do not think that I would be justified in considering the policy or the Capitation Tribunal at this stage. That can better be discussed at the stage when we are considering the Finance Bill. Therefore, I shall not dwell much on the increase in the army budget which has been found in the present estimates.

I note with pleasure that in paragraph 27 the Honourable the Finance Member says that he will probably pay back £15·40 millions of sterling loans which are going to mature this year. I wish to stress the point that every loan which matures in England should be paid off either from our Treasury balances or through rupee accommodation. We do not wish any further English loans to be floated. It should be the consistent policy of the Finance Department to reduce as far as practicable and as much as they can the expenditure which India has to finance outside.

THE HONOURABLE THE PRESIDENT: Is it possible to raise all the loans in India?

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, in this same paragraph, the Honourable the Finance Member says that he has got sufficient money—about Rs. 10 crores—to start a Silver Redemption Fund at once. If he can not find money anywhere else, he can pay back from this and wait before starting the Silver Redemption Fund. It is not the question whether Government have money or not, as money is always available. Whether they want to utilise it for this purpose or not—that is the question? I have always said that Government are always in funds. Their English balances at the present moment is something like Rs. 80 crores. It is almost unthinkable that they cannot find £15 millions to finance this, when they have got Rs. 80 crores in the shape of sterling securities. All the time that they have been taking English loans during the last two years, I say they were always in funds, and

they took sterling loans in spite of that. When we were considering the question of silver redemption in the Joint Committee on the Reserve Bank Bill, a recommendation was made that these proposals should be placed before the two Houses of the Legislature. Up till now, that recommendation has not been given effect to, and the trend of this paragraph 27 makes me doubt whether they intend to place it at all before the two Houses. I would request the Finance Member to place it before us and get our sanction for any line of action which they may choose to take.

Sir, this budget as presented is no doubt a surplus budget. In this budget, Government have tried to reduce the burden of taxation, but I would not be unjustified in calling it a rich man's budget. All the relief is for the rich man. There is no relief to the poor man. He is nowhere in the picture.

THE HONOURABLE THE PRESIDENT: A crore of rupees has been allotted for rural re-construction in India.

THE HONOURABLE MR. HOSSAIN IMAM: That is a non-recurring grant made out of our past savings. The budget does not provide for any recurring reduction of direct taxation, which falls on the poor. Take, for instance, salt. If we are going to reduce the surcharge, was not salt entitled to a decrease on the surcharge also? That would have concerned the poor man. But Government never even considered it. They are surrounded by capitalists. They have made common cause with them, and therefore they have not even thought of the poor. This one crore that has been set apart for rural uplift has been very well described by a friend of mine from the Assembly as a race between Mr. Gandhi and Government for the favours of the rural masses.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): But it is for somebody's betterment, is it not? It is not for the betterment of the rich people. It is decidedly for the betterment of the poor.

THE HONOURABLE MR. HOSSAIN IMAM: I have very decided opinions of Government in these matters. Whenever a department is created for giving relief or doing something for the masses, they create the department with a host of secretaries, deputy secretaries, under secretaries and assistant secretaries, and clerks in each province, who will be pampered and fed. The department will remain in being for three years. Out of the grant, 75 per cent. will go in pay and allowances of the officers and men serving in that department, and perhaps 25 per cent. may reach the masses.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Solution of unemployment!

THE HONOURABLE MR. HOSSAIN IMAM: That is a very good suggestion! But when we are talking of unemployment, we are thinking of hundreds and thousands, not of units. You will create posts on high salaries for a few officers who are pets of Government or those who have not been successful in winning the popular franchise and who have been debarred from coming into the Legislatures.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): May I say a word, Sir? As I mentioned in my budget speech the other day, one of the conditions on which this money is to be given to the provinces for the

[Mr. P. C. Tallents.]

improvement of the conditions in village life is that the schemes will be recommended by the provinces and sent to, and approved by, the Government of India. I can assure the Honourable Member that no scheme in which 75 per cent. of the cost was to go in paying secretaries, deputy secretaries, under secretaries and assistant secretaries will receive the approval of the Government of India.

THE HONOURABLE MR. HOSSAIN IMAM: I am very glad to hear this assurance from the Government. Let us hope that they will do something really good. But only the future can tell us about it. My other colleagues will stress the point as to how this money should be spent and what the procedure adopted should be. I will therefore leave it at that.

I come now to the second item, the flow of gold outside India. In spite of the united protests of all non-officials, irrespective of colour, cast or creed, from European merchants down to Indians, most reactionary or belonging to the most extreme section of the Congress, and in spite of the demands of all these people for an export duty on gold, Government is as callous as ever before. It never cares for public opinion in India. Even the opinion of European merchants, who have some experience, is disregarded because they have identified themselves with the interests of India. If Government had imposed even a small duty of 2 per cent. on gold exports, they would have gained Rs. 5 crores during the period the gold exports have been going on. It would not have been a hard duty when you know that these people were making a profit of from 50 to 60 per cent. on the sale of gold. Would it have been hard to tax them 2 per cent.? There is absolutely no reason for not imposing an export duty on gold except that they want to drain India of all the gold she contains, and that they wish to have all the gold going to England, so that their own financial position may be eased. We, Indians, have no standing in the international market. All our transactions are carried on in terms of sterling. Whether we export gold to England or America, our export surplus has always got to come back to the London stock market, and it is there that all these are liquidated. What is the result? If England has an unfavourable balance with America or with France, it is liquidated through the gold which we have exported. And we have the additional

12 Noon. disadvantage that it creates funds in England which are liquidated by means of enhanced imports into India. If this export of gold were checked the result would be that there would be a stringency of funds for the purchase of importable goods, with the further favourable result that we would have an increased export surplus. It has been said that the inauguration of federation is dependent on sound finances and the establishment of the necessary export surplus. That will never come as long as we have this flow of gold going on. (An Honourable Member: "The Reserve Bank will do it.") The Reserve Bank is as powerless to do anything in this direction as our present Government. The Reserve Bank cannot impose a check on the export of gold. It cannot purchase the gold because it will have to pay such a high premium from its book value. It will not be possible for it to find the money to write off the premium which it will have to pay. I shall not discuss the Reserve Bank because we are now concerned with the budget estimates. But it seems to me that it is going to be a failure from the very beginning. It is going to give us such a small sum of money this year that it is only half what we received from the Currency Department even at the time of the worst of the depression.

Sir, may I suggest that if in the future it should be Sir James Grigg's good fortune to have a surplus budget again, he should think of the masses and give some money to the provinces for the inauguration of free primary education in rural areas, which is a crying necessity for the Indian masses, because it is only through education that they can understand their own responsibilities and implement the federation which is going to be introduced?

While on the subject of education I cannot help remarking on a strange example of what I should say is the Government's Jewish tendency to insist upon their pound of flesh. The Government could easily find Rs. 108 lakhs to restore the cuts in the salaries of its own servants, but its financial pandits would not allow even Rs. 71,300 in order to restore cuts in the University grants. Knowing the great love which India has for its education, knowing that the Benares and Aligarh Universities are dear to the heart of every Indian, to say the least, it is callous of the Government to still persist in maintaining the 10 per cent. cut in the grant of those two Universities. Is it because the Vice-Chancellors do not happen to be *persona grata* with the Government that this cut is continuing to be made? There can be no other explanation, Sir. And incidentally the poor Delhi University also comes in for that cut of 10 per cent. in its grant. Out of the grant of Rs. 13,000 to the Calcutta University, Rs. 1,300 has been deducted every year. We have been bringing this forward for the last three years and it is simply due to the fact that Government employees do not stand to gain anything out of it that this has not been restored. The first charge was the restoration of cuts in salary: the second charge was reduction in the surcharge on income-tax, because it would touch the pockets of our colleagues on the Treasury benches, and of course incidentally other people have also benefited from that; that is why it has come second in the list; if they had been the only beneficiaries it would have come first.

Sir, as I have said, I did not get time to study the details of this budget and I am not able to say anything on the detailed expenditure. I simply wish to draw attention to one fact in order to bring home to the Treasury benches that everything is done for the benefit jointly of the denizens of the Treasury benches and only incidentally for others.

THE HONOURABLE THE PRESIDENT: I would advise the Honourable Member not to go into personalities.

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir. I am giving only the facts which we find from the Report of the Appropriation Account for the latest period we have. In the case of the unorthodox clerks' quarters, after deducting maintenance charges from the rent received therefrom, there is a saving of 2.59 per cent. on the capital at charge. But when we look into the rent from the quarters of the poor officers who manage to live on Rs. 1,000 to Rs. 4,000 a month, we find that they pay the handsome return of 1.59 per cent. on the capital at charge for their houses. This, Sir, compels me to say that everything is done in the interests of these gentlemen themselves. And do you know, Sir, what happens in the case of the Honourable the Executive Councillors? We, Members of the Central Legislature, who come here and stay, in the case of the Assembly for two and a half months and in our case for a month and a half only, from the figures I was able to find—

THE HONOURABLE THE PRESIDENT: We have discussed that question at considerable length the other day and I would ask the Honourable Member to confine his observations to the budget before us.

THE HONOURABLE MR. HOSSAIN IMAM: I am referring to the return from the Public Works Department, the capital at charge on public works and the return therefrom in regard to the quarters which are let out to four different categories. I have shown what it is from the unorthodox clerks' quarters and from officers' quarters, and I am now taking the two other items. The quarters for Members of the central Legislature pay a return of one per cent. on the capital at charge for the very short period they are rented. But in the case of our Honourable colleagues, the Executive Councillors, their houses give the handsome return of one-third of one per cent. on the capital at charge, and they occupy these houses for seven months in the year. This shows how far everything is managed or mismanaged by this Government.

Sir, this budget has been variously described as unsatisfactory, featureless and otherwise. I am not going to go so far as to say that it is featureless, but I am going to say I echo the cryptic words of the Honourable the Finance Member in paragraph 39 of his speech, "*It certainly does not satisfy me*"!

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): Allow me, Sir, to open my remarks by paying a well-merited compliment to Sir James Grigg, if not for his budget, but for his brutally frank statement that the budget as presented by him, did not satisfy him. People have complained that in the speech of the Honourable the Finance Member in the other House there was a lack of literary flourish. It is for that very reason, Sir, that I characterise this speech of his as the reflection of what I might call the Grigg personality. And the budget also has that unmistakable stamp of that Grigg personality and I am glad that it is so.

Sir, in spite of some changes in taxation which the Finance Member has announced, the real importance on this occasion is not the actual changes in taxes but the new orientation in the financial and taxation policy which they imply. For example, the grant of a crore of rupees to provinces for rural uplift work, the capital expenses granted for broadcasting and civil aviation are certainly new and pleasing features. For this reason, I would rather deal with the broader issues and the more fundamental problems raised by the budget than with the actual details. For this somewhat general treatment, may I ask for, and may I feel sure, of your indulgence, for I am confident that many of the Honourable Members of this House will most likely concentrate their attention on the details, as has been done by the Deputy Leader of the Progressive Party. Moreover, there is a special importance on this occasion for the discussion of the fundamentals. This is the first budget of the new Finance Member, who if I may say so, is somewhat differently constituted from his predecessor both in outlook and in temperament and he has afforded us an insight into the working of his mind. For future guidance let us exactly understand how to appreciate this mind at work. *Secondly*, we are on the eve of the inauguration of the Reserve Bank. A big portion of the activities and transactions and even responsibilities of the Finance Department are likely to be transferred to the Reserve Bank and this needs a reviewing of the past and an assessment of the future. *Thirdly*, in spite of the Bombay resolution of the princes, I share the optimism of the Secretary of State that the differences will be adjusted and the federal scheme will ultimately materialise. In view of this the problems of federal finance are now of more practical import and of nearer relevance. We have to understand and weigh the present in relation to the demands of the future. For all these reasons, I consider—and I hope my colleagues of this House will concur with

me—that the budget discussion of this year could be and should be fruitfully employed for a proper gauging of the fundamentals of Indian finance.

Looking at this matter from this wider standpoint, there are three definite issues to which I would like to address myself. They are, *firstly*, the implications of the creation of the Reserve Bank, *secondly*, the need for the study and planning of the Indian taxation policy on lines which will be in accordance with scientific canons, and *thirdly*, the nature of the financial machinery in relation to the new economic world.

So far as the Reserve Bank is concerned, it is one of the safeguards of the White Paper, which excites no bitterness. It is the safeguard which satisfies even the criterion of Mr. Gandhi himself and it is demonstrably in the interests of India. It is devised in order that currency and allied affairs can be taken out of the purview of politics; but I like to look upon the Reserve Bank as a safeguard against the incompetency, ineptitude and clumsiness of departmental management of currency. We have been told that the credit and currency of India should be protected from the likely incompetency of the future Indian Finance Minister. But I have always felt that India needed protection far more from the proven incompetency of the non-Indian Finance Members who have presided over her destinies and of their lieutenants. It was not an Indian Finance Minister who, in the spring of 1933, floated a 3½ per cent. loan in India and within a few days came out with a 4 per cent. sterling loan in London, thereby causing a phenomenal fall of nearly 10 points in Government securities in this country, a fall the like of which could have only happened in the event of a cataclysm like a war. It was not an Indian Finance Minister, who had, in the teeth of public opposition from all quarters worked the sterling exchange standard for the last three years in such a way as to create and emphasise deflationary influences. It was not an Indian Finance Minister again, who was content with the adventitious aid lent by gold shipments and who lived without a care or thought of the day when the gold stream might dry up. I hope that the inauguration of the Reserve Bank will mean that the currency and monetary policy hereafter will be in the hands of people who have the training, the instinct, the experience, the knowledge and the equipment to understand the intricacies and mysteries of finance.

For my part, I would have liked a Reserve Bank fashioned somewhat differently from the one that we are now to have. But I am more than reconciled to the situation as it will now be created, for, I believe that men who run it are far more important than the rules and regulations, or Acts or by-laws.

There is widespread satisfaction in all circles that Sir James Grigg has appointed Sir Osborne Smith as the first Governor of the Bank. I know and have heard many unpleasant things that happened behind the scenes. Knowing something of all this, I can sincerely congratulate Sir James Grigg on the wise choice he has made, because it was the only choice, if intrinsic merits only were the criterion.

With the starting of the Reserve Bank, with the handing over of the Currency Department to the Bank, with the conduct of remittances in charge of the Bank, with its dual control of credit and currency, I hope Sir Osborne Smith will make a striking departure in monetary and credit policy. He will have first to realise that the policy of cheap money, regarding which the British Chancellor of the Exchequer has given repeated assurances, is as vital and necessary in India as it is in England. Till now, the Government in this country never realised their responsibility in this regard. We hope Sir Osborne

[Mr. Bijay Kumar Basu.]

Smith will make cheap money an earnest, active and enduring policy ; and that towards this end he will see the folly of maintaining the Bank rate at 3½ per cent., borrowing on Treasury Bills at higher rates than are justifiable and abusing sterling purchases for the enforcing of a deflationary policy.

This brings me to, by far the most important issue, which he will have to tackle. The departmental working of a currency standard can never be satisfactory. It is only a central banking institution which can ensure the working of a currency standard in conditions that will be as free from interference as possible. I hope Sir Osborne will give effect to the principle that remittances to the budgeted programme must be treated as Treasury operations and of remittances beyond that limit must be deemed currency transactions.

I hope with the statistical and economic intelligence section which he is sure to develop in the bank, he will be able to impress on the authorities the necessity of taking steps to rectify the present unnatural position of the international balance sheet being balanced by colossal shipments of gold. How is the position to be restored in which the merchandise surplus will be equal to the invisible imports ? It is amazing that the authorities do not seem to have realised the importance of the question. It is to be hoped that the rectification of the overseas trade position of this country will be taken in hand in the early months after the Reserve Bank comes into being.

If the Finance Member will be relieved of a considerable portion of his present work, it stands to reason that he will have more time and more opportunity for making a detailed study of the Indian taxation system, which is now overdue. In the course of a discussion in the other House on the taxation policy of Government, Sir James Grigg made some refreshingly and characteristically frank observations. I am sure these will and must now be followed up. The problem is not merely one of finding out whether the existing taxes and their proportion and measure are in accordance with scientific principles. A far more important problem is, to my mind, the exploration of new avenues of taxation. I should like a proper investigation to be made of the possibilities of tobacco monopoly, matches monopoly and death duties. It has been customary for our Finance Members whenever they were faced with deficits to screw up the existing taxes higher and higher. By this means they had hoped to rope in all the funds they needed. But the law of diminishing returns has proved mightier than Finance Members. The beaten track has now to be abandoned for the simple reason that it has proved futile to pursue that way. Here are three suggestions for new taxes to which no exception can be taken on scientific grounds. Countries like Japan and France—in fact many countries of the world—have tobacco monopoly and matches monopoly in full and complete working order, yielding substantial revenues and furnishing an important basis for raising loans when necessary. The possibilities of these two monopolies in a vast country like India are immense—what cannot we do with the additional revenue from these sources ? Why should there be any misgivings about the reforms wrecking on the financial rock ? The fact is that our taxation authorities have always been unduly sensitive to powerful vested interests, but they must realise that both in regard to tobacco and matches, the vested interest involved are very few in number though they may be extremely powerful in influence. There will not be much upsetting or dislocation. The monopolies can be easily worked. No special administrative complications will arise. There is great revenue in store. Why should there be any delay in tackling these important sources ?

As for death duties, here again, we are up against vested interests. They are not few, they are many. They control the press. They are powerful in legislatures. They are amongst the favourites of the authorities. Conditions in England were not different when Sir William Harcourt introduced death duties. The landed aristocracy were up in arms. All the same, death duties became part and parcel of the taxation system of Great Britain. Nobody objects to them now. Nobody finds it even irksome today. The same thing will happen in India. For the equalising of wealth, and this is the essence of taxation, death duties are an indispensable feature of any taxation scheme.

As I said, the Finance Member will have more time and more occasion to study the taxation problem of this country, but he will have to devote some time to the understanding of the financial machinery in force today. Gone are the days when all that was expected of Finance Members was the levy of taxes, the collection of taxes and the spending of the collections. The Finance Member has to be more than a mere taxgatherer ; in the new economic world with which we are confronted today he has to be also an economist. His secretariat must needs be more than a machine, there must be imagination (though it may land them in jail), vision, understanding and ideas. It is true that imaginative financiers usually end up in jail—

THE HONOURABLE THE PRESIDENT : This is all very academic !

THE HONOURABLE MR. BIJAY KUMAR BASU : Well, it has to be ! It arose, Sir, out of the speech of the Honourable the Finance Member in the other House. What I say is that it is equally true that totally unimaginative financiers might find themselves in the madhouse, and Sir James Grigg knows better than anybody else that a financier with imagination is not the same thing as an imaginative financier. From my point of view, the existing financial machinery is antediluvian and totally out of date, absolutely unsuited to the new needs and new problems. What are the measures that Sir James Grigg should take to fashion the financial machinery to the increasing demands of the present generation is the question on the solution of which depends the economic well-being and progress of our nation.

THE HONOURABLE MR. E. MILLER (Bombay Chamber of Commerce) : Sir, may I first add my congratulations to those of others to the Honourable Mr. Tallents on the very clear and concise speech he made when presenting the budget to us last Thursday. To this I should like to add a word of thanks to the Honourable the Finance Member for presenting a balanced budget and to congratulate him on being able to do so at the end of his first year of office. I am with my Honourable friend Mr. Hossain Imam in expressing disappointment at the absence of the Honourable Sir James Grigg from his seat in this House on this occasion.

My remarks on this occasion will be brief, for it is quite impossible as others have said to deal with the mass of detail handed out to us at the close of our sitting at a little before 6 P.M. only the day before yesterday. I can see no good reason why Government should have given us so little time and I hope, Mr. President, if you agree with me, that you will kindly take up this matter with Government. I feel sure you will have the unanimous support of all Honourable Members.

My comments therefore, on account of this short notice, will be in the nature of first impressions on the speeches in both Houses and the more detailed views of the European group will be given expression to in another place at a later date.

[Mr. E. Miller.]

With regard to the restoration of the cut in pay in the Government services, we have known this for some time and while it is an unusual feature to disclose any proposed changes before presenting the budget each year, I can understand that in this case it was unavoidable on account of the railway budget and some provincial budgets being presented at an earlier date. While I rejoice with my friends in the services that their salaries will once more be intact in another month's time, I could wish that both they and the rest of us might have obtained greater relief from the surcharge on income-tax than is proposed. While we recognise that the Honourable the Finance Member has to some extent kept to the pledge of his predecessor by reducing the surcharge by one-third (and I am glad he has included in this small benefit, the income-tax levied on incomes between Rs. 1,000 and Rs. 2,000 a year), I feel that half the surcharge could reasonably have been removed. If that cannot be agreed to then the total removal of the remaining two-thirds must be the first relief granted in the budget next year if Sir George Schuster's pledge is to be completely fulfilled. I hope the Honourable Mr. Tallents will give us some assurance in regard to this.

The proposal that a crore of rupees should be distributed to provinces for schemes of economic development and improvements in rural areas is one I think that will have the sympathetic support of everyone. Amongst other possible ways in which this money might be utilised, Sir James Grigg mentions improved methods of agriculture and I hope provincial Governments will note this and include in their schemes the adoption of mechanical ploughing for the eradication of deep-rooted weeds from areas that have gone fallow on this account, or for the opening up of undeveloped areas. The Council of Agricultural Research have been paying great attention to this during the past few years, and are about to publish a monograph on the subject, which I commend to all who are interested in the uplift of the ryot. Demonstrations have taken place in many parts of India and in Indian States and in one area alone in the Bombay Presidency, 4,000 acres are at present being ploughed, while Sind are considering the utilisation of mechanical cultivation on a large scale. That in certain conditions, mechanical ploughing is an economic and business proposition, has been proved beyond all doubt, while the theory that it will increase unemployment has also been exploded, because it opens up areas hitherto undeveloped and also improves the price of the products when they are placed on the market.

One of the difficulties in connection with the introduction of tractor ploughing for weed eradication purposes, is the limited means of the poor ryots who have not the necessary funds to finance the initial outlay of even a few thousand rupees. This is where the co-operative societies can render great assistance by persuading some of the unemployed to take up tractor ploughing and arranging for the purchase of plant on easy terms of repayment. The ryots can also be assisted by *tagavi* loans and much has been done in this direction particularly in the Bombay presidency and the United Provinces. The ploughing of the 4,000 acres to which I have already referred, has been almost entirely carried out on small holdings by means of contract ploughing and with the assistance of *tagavi* loans arranged by the provincial Governments.

I welcome the grant of Rs. 40 lakhs to the reserve of the Road Development Fund and I congratulate Assam on the special consideration they are receiving. Many representations have been made to the Government of India in recent years for an increased annual contribution to the Road Fund account and I hope that the above contribution is an indication that this demand is

recognised as being fully justified and that next year Government will fix it on a more definite basis by granting an increased contribution from the petrol tax of four annas a gallon, after first removing the surcharge. Any temporary loss of revenue will be quickly recovered and larger receipts obtained by the increased use of motor transport.

The grant of Rs. 25 lakhs to the North-West Frontier for the construction of roads is also a very sound proposal and our friends who criticise army expenditure should welcome this as while it is mainly for the assistance of economic development in the tribal areas, there is no doubt that it will also assist in the guarding of our frontier by affording greater mobility in the movement of troops in case of need and therefore possibly a reduction in the numbers held at certain points.

A matter to which I should like to refer as I come from Bombay, is the announcement that the Government of India have decided to finance the repayment of the Bombay Development Loan, which is very satisfactory news.

The Honourable the Finance Member in concluding his speech in another place expressed extreme disappointment that it had not been possible to take the first steps in the revision of our revenue tariff in a downward direction. As Sir James says, tariffs are certainly too high and too complicated and on both counts are restricting trade. There are many outstanding instances of this amongst which one that ranks very high is motor transport. Although imports of cars and lorries have increased during the past year, it is mainly because this mode of transport is no longer a luxury but a sheer necessity and this upward move in imports would be rapidly assisted if more reasonable import duties were levied. I believe the Honourable the Finance Member fully realises this but I take this opportunity of mentioning it as being another instance of where a reduction in duty will after a short interval bring in increased revenue not only directly, but also indirectly by assisting rural development and reducing unemployment.

Now, Sir, as I have already said my remarks would be brief and as probably my Honourable colleagues from Bengal and Burma may also wish to make a few remarks, I will not take up any more time of the House. I would only add in conclusion that to me the general impression left after considering this year's budget is one of hopeful optimism in regard to the future and a conviction that while we may experience temporary setbacks, we have it within our power, given the spirit of goodwill and co-operation, to enjoy a fair period of steady progress and moderate prosperity. I trust this may prove to be the case.

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT (Bombay : Non-Muhammadan) : Sir, the budget as presented this year will, I think, satisfy even some of the most obdurate critics of the Government. I cannot but congratulate the Honourable the Finance Member who has at least the credit of not burdening the country with fresh taxation. But, Sir, I join issue with the Honourable the Finance Member when in the course of his budget speech he eulogised Sir George Schuster, the outgoing Finance Member of this country. I say that people of this country will appreciate him more in his absence for all that he did in steering safely the barge of Indian finance to the port of stability during the stormy days of world-wide trade depression. There is no doubt that his labours have brought in this twilight on the financial horizon of India, when India may expect to balance her budget in future and may even expect to have surpluses which, in times to come, may be utilised in lowering the burdens of taxes on the poor masses of this country, such as the reduction of the salt duty and the postage rates. Sir, though

[Sardar Shri Jagannath Mahara] Pandit.]

I have congratulated the Finance Member, yet I cannot but say a few words regarding the surcharge on income-tax. This surcharge was levied as an emergency measure together with the levy of a salary cut. As an emergency measure the limit of the taxable income was also lowered from Rs. 2,000 to Rs. 1,000. Sir, the cut in salary was restored by 5 per cent. last year and it was expected that this year these other two classes of taxpayers who were also burdened under the emergency measure should be given some relief before the cut in salary was fully restored. What I mean is that the restoration of salary to its fullest extent could have been deferred by another year, and in the meantime the current year's surplus could have been better utilised for raising the taxable limit of income-tax from Rs. 1,000 to at least Rs. 1,500 if not to the original level of Rs. 2,000 and also to the abolition of the whole of the surcharge on income-tax. Sir, I think it would have been more justified, dignified and graceful for the services to suffer a year more before they had their cut in salary fully restored. I do not by this even for a moment mean that the cut in the salaries of the present incumbents of Government posts can with any justification be made permanent. The Government and the Legislature committed themselves to the fact that these salary cuts are only emergency measures but, Sir, as I said before, that was not the only emergency measure which was adopted to weather the storm of depression.

Then, Sir, I once more congratulate the Honourable the Finance Member for promising half of the jute duty to Bengal which, to my mind, Bengal could justly claim to meet their deficits. I heartily welcome the proposal and nothing will please me more than to see the Government of India giving up gradually the whole of the jute duty to Bengal. But, Sir, here I cannot but justly complain about the step-motherly treatment to Bombay. A share in the income-tax revenue is also a legitimate claim of Bombay, whose finances are also in a very bad plight. The Government of Bombay are carrying on their administration with great difficulty by levying fresh taxes year after year, and it would have been most fitting if the Honourable the Finance Member could have found his way to give some relief on this occasion to the Government of my province by way of a share from the income-tax revenue to which Bombay's claim is as just and equitable as is Bengal's claim to the jute duty. Then, Sir, I would once more draw the attention of the Honourable the Finance Member to the army estimates. The country irrespective of caste, creed or political party to which each Indian belongs, demands reduction in army expenditure and the Indianisation of the army. We press for Indianisation not only for the relief of unemployment amongst the educated men of this country, but also for the reduction in the charges of army establishment in India. Sir, unless and until the army estimates of the country are considerably reduced neither the provincial Governments nor the central Government can really do anything for the welfare and benefit of the masses. The army estimates are the heaviest item of expenditure and out of about Rs. 45 crores for army expenditure I think it is not very difficult to knock off about a couple of crores a year, which will go a great way to making the provincial Governments and the central Government more solvent.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, as a newly elected Member of the House, I want to indicate in this, my first speech, on the occasion of the budget statement, the point of view from which I propose to approach it, as, indeed, all other questions which will come up before the House. I am primarily a businessman interested, naturally and keenly, in the economic prosperity of this country.

But economic prosperity depends on the political contentment and the social welfare of our people. Though I am not a politician, I heartily share the political aspirations of my countrymen and look forward to the day when we shall have a stable constitution responsible to the people and undertaking schemes of social and economic progress.

From this point of view, I must confess I am somewhat disappointed with the budget presented to us. Two weeks ago, the Honourable the Finance Member, replying in the other House to a debate on the revision of our taxation policy, seemed to admit that the incidence of taxation was too high. Though he would not agree that the present rates had come under the operation of the law of diminishing returns, the fact remains that in spite of the heavy surcharge, income-tax and super-tax have shown hardly any tendency to bring in more revenues. I sincerely trust that the promise given by the Finance Member on the 14th February last, which was really a repetition of his promise at Simla last year, to have the entire system of taxation in India overhauled in the not far distant future, will materialise very soon. Non-official opinion in India, whether from the ranks of businessmen or of politicians, is, I assert with confidence, almost unanimous that the present burden of taxation is far too heavy and prevents the recovery of trade, besides driving the poverty-stricken masses to the verge of starvation.

A little relief has, no doubt, been provided in the shape of reduction by a third of the surcharge on income-tax and super-tax. But the country is entitled, I maintain, to expect the removal of the *entire* surcharge, which would have meant a loss to the Government of Rs. 334 lakhs. Where after all, I ask, was the pressing necessity for the restoration of the 5 per cent. cut in salaries, costing us, even excluding railways, over a crore of rupees? Even in England, where the standards of living are higher but the scale of salaries lower, there has not been, I understand, a full restoration of the salaries cut. The Honourable the Finance Member's speech in the other House two weeks ago had roused general expectation that an announcement of the abolition of the whole of the surcharge would be made; and its absence has caused equally widespread disappointment. As a representative of Bombay, I am bound also to voice the resentment we feel that under this item so large a sum as almost Rs. 5 crores (Rs. 83 lakhs as super-tax plus Rs. 416 lakhs as income-tax) is being contributed by my province to central revenues. Other provinces which plead their inability to balance their budgets obtain relief from the Government of India, while Bombay is penalised and made to pay for the progress of other provinces. Such treatment is unfair and inequitable, and I shall be failing in my duty if I did not add my protest to those which have been made in the past in both Houses.

Let me now touch on one important aspect of the budget—the economic consequences of the policy followed by the Honourable the Finance Member, a policy that has come to him as a legacy from his predecessors, the policy of finding revenue to meet expenditure rather than control expenditure to meet revenues. Allow me, Sir, to quote the words of the Honourable Mr. Taylor in this House during the budget session of 1934. The Honourable Member said:

"Unfortunately the officers in charge of a department like the Finance Department know only one canon of taxation which comes first, and that is that they must get the money."

I submit to you, Sir, that, as a businessman I cannot see the truth in such statements. If my income were reduced from a lakh of rupees to fifty thousand, would it be right if I budgeted for an expenditure of a lakh?

[Mr. Shantidas Askuran.]

What applies to an individual applies with equal force to a nation. Just because the Government can put its hands into the pocket of the individual without fear of reprisal, is it proper, Sir, that no effort should be made to limit our expenses to our revenue?

It looks as though the process of preparing the budget begins with a statement from the army authorities as to their needs. Not a pice is to be touched there. Then come the demands of the civil administration, almost equally uncompromising. Sir, does the Government exist for the welfare of the taxpayers or the taxpayers for the convenience of the Government? What is the good of talking of economic recovery or international action to bring the world to saner methods of doing business? What are we doing in this country to increase the purchasing power of the masses which is, as I view it, the most effective method of stimulating trade and industry? And rural masses or urban classes, what have they left to them after paying central taxes, provincial taxes and local taxes and cesses?

I cannot help feeling, Sir, that there is not a proper sense of proportion or a perspective in the manner in which the Government of India considers this question of taxation. Defence expenditure still stands at Rs. 44.98 crores, and all our requests for economy go practically unheeded. We are told that we do not show sufficient appreciation of the fact that it has been brought down from Rs. 55 crores in 1928-29, to the present level. But let me make two observations on this point. Is there sufficient appreciation on the other side of the fact that when this constitution was inaugurated, the Meston Committee did not anticipate a normal defence expenditure of more than Rs. 40 crores a year? Secondly, let me say that the Simon Commission, an all-British Commission, pointed out that it was impressed with three cheap features of India's financial situation:

"(1) the mass of the people are extremely poor;

"(2) she is incurring expenditure on defence and the maintenance of law and order as high in proportion to her wealth as Western Nations;

"(3) her expenditure on social services, such as education, health, sanitation, etc. is far behind Western standards and, indeed, in many directions is almost non-existent".

As the Commission further observed:

"Wise expenditure on social services and particularly on health and education should be remunerative in the sense of increasing the wealth-producing power and therefore the taxable capacity of the country. Security is, of course, essential, if production is to develop; but it cannot be claimed for expenditure on defence either that it is mere redistribution of income, or that it promotes productive efficiency. Indeed, economically speaking, it is the most burdensome form of expenditure, and this is particularly the case where, as in the case of India, the army contains a large element drawn from elsewhere".

His Excellency the Commander-in-Chief made a comparison the other day on the floor of this House between defence expenditure in this country and in some other countries. But he should have taken also the average income of the Indian in considering this matter. The Simon Commission reckoned it six years ago at £8 a year, as against £100 in England, but since then the average in India has gone down very considerably.

It was stated by the late Lord Rawlinson in the Legislative Assembly in 1923, when he was pressed to effect further economies in defence expenditure, that he had to take into account the problems of internal security and conditions abroad. As a layman I hesitate to express a definite opinion on this subject. But it seems to me that with the abandonment of civil disobedience

and the return by Congressmen to constitutional methods; with quiet reigning on India's frontiers, there can be no compelling necessity for the maintenance of such a scale of expenditure as the military authorities have decided upon.

It has been possible, I notice from the budget figures, to reduce by Rs. 20 lakhs one item of army expenditure through a closer estimate for grains and other foodstuffs. Low prices have been obtaining for a number of years; but, apparently, it is only this year that such economy was effected. Comparatively, it may seem a small point; but, Sir, it strengthens my conviction that pursuit of further economies, assisted by a committee of businessmen and experts, would yield similar results in other directions.

In any event, I am emphatic that the pace of Indianisation of the defence forces should be appreciably accelerated both with a view to economy and also for the purpose of providing India with a national defence force within a measurable period of time. It is as a businessman that I hold that the best guarantee of internal peace is not a large army which requires so much for itself that very little is left for expenditure of a remunerative kind, but the contentment and prosperity of the people through schemes of social and economic development.

The Government's proposal to set aside one crore of rupees for rural development schemes is to be welcomed; and I hope that this grant will be a recurring one. At the same time, let me add that the question of its proper and efficient utilisation should engage the attention of the central Government. I would suggest the formation of a Central Board of Rural Development working on lines similar to the Imperial Council of Agricultural Research and deriving active assistance from experts on marketing, dairy products, livestock and other problems which are closely connected with India's rural life. There is one other important aspect of rural development to which attention may be drawn: I refer to public health. Sir John Megaw, late Director General, Indian Medical Service, in his report on the conditions of health in the rural areas in 1933 took a gloomy view of the future:

"Not only for the masses of the people who must face an intensified struggle for bare subsistence, but also for the upper classes whose incomes depend upon the production of a surplus of crops and other commodities".

The present Public Health Commissioner with the Government of India in his latest report has expressed the opinion that there is urgent need for a wide development of both the central and provincial Public Health Departments which should be manned by experts capable of advising on the many difficult health problems which confront the country. No one will challenge his assertion that the health and welfare of the people are the most important problems with which the Government is faced. I trust, therefore, that the scheme of rural development will give a prominent place to problems of public health and the measures to be adopted for their solution.

I must compliment the Honourable the Finance Member on the foresight he has shown in recognising the claims of the roads in the national economy of this country; and it is a great pity that more could not be done towards that object. Sir, lack of adequate road communications have done more to impoverish India than any other single factor, by increasing the cost of production. I may say, Sir, that roads deserve to receive better consideration than they have received till now.

In the matter of the reduction of the silver duty, Sir, I cannot see eye to eye with the Honourable the Finance Member who looks at the matter from a

[Mr. Shantidas Askuran.]

purely budget point of view. He does not seem to have taken into account any other factor but that of the prevention of smuggling. But has the Honourable Member paused to think what would be the consequences of such a step? For an indefinite period in the past, India has been importing silver and the amount exported has been negligible in comparison. The wealth of the country is bound up in silver and a decrease in prices is bound to have adverse effects on the poor masses with grave repercussions on the national economy of the whole country. The price of silver has already gone down as a result of the reduction, and the silver holdings of the peasants have diminished in value in proportion to the fall in price of silver, thus aggravating their misfortunes resulting from natural causes like irregular rainfall and the recent cold wave. The action of the Finance Member at this juncture seems to be the proverbial last straw; and to the extent, therefore, the purchasing power of the country has been lessened, the blame for any consequences that might ensue may be laid squarely at the Government's door.

In this connection I might point out, Sir, that even in America they are following a policy of increasing silver prices with a view to increase the purchasing power of the silver-holding millions of India and China.

Finally, Sir, I would observe that the Government of India should exercise its imagination and realise that the success of the new reforms will depend, more than on any other factor, on the funds available for the nation-building departments in the provinces. I earnestly trust that the period between now and the inauguration of the new constitution will be utilised by the Government of India for removing the financial difficulties of the provinces. In conclusion, I would like to express my gratitude to the House for the patient hearing which it has given me.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) :
Sir, as a layman I approach these budget proposals from various points of view. When a date is fixed for the presentation of the budget in both Houses of the

1 P.M. Indian Legislature, various hopes and suspicions are created in the minds of the masses as well as the classes. The industrialist thinks that he might get some benefit from the budget proposals of the Government of India. The agriculturist thinks that his burden of taxation may be relieved and the educated classes think that they may get something by way of an employment scheme, which will to some extent relieve the trouble of unemployment amongst them. Looking at these budget proposals, Sir, I as a layman cannot say that all these three points of view are found in them. No doubt it may be said that a grant of a crore of rupees for the rural development of India has been made with a view to relieve unemployment, but, Sir, my complaint is that all the emergency measures that were introduced in 1931 and 1932 have not been done away with while the salary cut about which much has been said in this House and outside also has been completely restored. In the year 1932 you sounded a note of warning to the then Finance Member, Sir George Schuster, that he should not make up his mind to restore this salary cut without taking into consideration the financial situation in India. I am not against the principle of restoring the salary cut. I must make it perfectly plain that I desire that the salary cut should be restored. But when? When the emergency taxation has been withdrawn, then and then only you have the right to restore the salary cut and not till then. Sir, it may be said that the surcharge on the super-tax and income-tax on low incomes from Rs. 1,000 to Rs. 2,000 has been taken away to a small extent, by one-third. I submit Government would have given greater relief if they had removed it altogether before restoring

the salary cut. That promise, Sir, I submit, has not been fulfilled and therefore my complaint is that even the industrialists who have to pay by way of income-tax a very large sum to Government are not satisfied. I find my Honourable friend from Bombay saying that he also is not satisfied with the proposals of the Government of India. I do not know how my Honourable friend, Sir Phiroze Sethna, says that he has received telegrams from Bombay saying that the commercial community is satisfied with the present proposal. I congratulate the present Finance Member and the Finance Secretary for giving us a surplus budget. But then, Sir, I will not call it a surplus budget unless and until the heavy burden of taxation is taken away and relief is given to the masses as well as the classes. Sir, as I said before, the services are very costly in India as compared with the services in the other countries of the world. The services have got the Lee concessions and the principle underlying the Lee concession was that the prices of commodities were very high. That has ceased to hold good as the prices of commodities have gone down to a very great extent. So, Sir, the services should not have come in this year and this proposal of restoring the cut should have waited for a year more. Another mischief that this salary cut has done is to disturb the budgetary equilibrium of the provinces. I have not got definite knowledge of other provinces but I can give to this House information regarding my province. Sir, if the salary cut had not been restored, my province would have got a surplus budget of Rs. 5,47,000. But on account of the restoration of the salary cut my province has got to face a deficit budget of Rs. 1,33,000.

Another thing, Sir, that the people of my province are faced with is that to pay this additional taxation in order to meet the restoration and to make provision for contribution to the nation-building department, the local Government of my province have introduced additional taxation and people who are already suffering under central and provincial taxation will have to bear the further burden of this additional provincial taxation. Looking at it from that point of view, Sir, I do not think that the budget can be said to present a very satisfactory feature this year.

Then, Sir, I come to the question of the grant of one crore of rupees for rural uplift. As I said, I really welcome this scheme on the part of the Government of India and I further request that a grant of this nature should be a recurring one. But, at the same time, I think the attempts on the part of Government should not come in any way in conflict with the attempts made in this direction by Congress and Mahatma Gandhi. Unfortunately, Sir, a secret circular which saw the light of day and was debated in the other House created a suspicion in the minds of people who have devoted their time and energy to rural uplift that the Government of India would not allow the efforts of these organisations to go on smoothly. I therefore request Government that just as they—I am told—co-operated with private organisations in Bihar in giving relief at the time of the earthquake damage, so in this charitable work they will also join hands with other private organisations and will not in any way come into conflict with other organisations so far as rural uplift is concerned. Various schemes have been proposed for rural uplift and I believe the Government of India will take into consideration that the money spent for rural uplift—as was said in answer to a question put by my friend Mr. Hossain Imam by the Honourable the Finance Secretary, that a large amount of that money—will not be spent on the services but will be spent in the interests of the agricultural population of India.

Then, Sir, I am sorry but I have to come to the "*popular stick with which Government is always beaten*", and that is the military expenditure. It may

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be said that that subject has been discussed here a great many times, that Government have made authoritative statements and that they cannot do anything further in the matter. As a young man, I have to knock and knock, and I am sure that when I knock continuously, the door will open.

THE HONOURABLE SIR DAVID DEVADOSS: Knock and it shall be opened!

THE HONOURABLE MR. V. V. KALIKAR: Sir, it has been admitted by military experts that much of the expenditure over the army in India is spent on the British element, and that the British Army in India is to a very great extent maintained for imperial purposes. I do not for a moment believe that His Excellency the Commander-in-Chief has given up all hopes of curtailing the expenditure in this department and of putting pressure on the British Government to allow him to Indianise the army. In spite of the statement that His Excellency made the other day on the Honourable Mr. Mehrotra's Resolution that he is not going further during the transition period, I still believe that he has been forced to make that statement under the dictates of the British Government, and it is with the intention of strengthening the hands of His Excellency that we are knocking and knocking at the same point again. If a British soldier costs Rs. 850 and an Indian soldier Rs. 250—

THE HONOURABLE THE PRESIDENT: May I ask you to be as brief as possible on this point? We have discussed this point threadbare on the Resolution the other day.

THE HONOURABLE MR. V. V. KALIKAR: I have said, Sir, I am an optimist, and therefore, I want to knock again. I submit that he will not only take credit for reducing the military expenditure, but he will also find employment for the educated youth of India who have taken a liking for a military career.

I now come to the proposal of the Government of India to give a portion of the jute export duty to Bengal, Assam and Bihar. If the Government of India had lessened the burden of taxation, if the Government of India had found their way to remove the match excise duty and the sugar excise duty, if the Government of India had seen their way to lessen the burden of income-tax and raise the taxable minimum to the old level of Rs. 2,000, I would not have complained. But if at the cost of this additional taxation on all the provinces, Bengal, Bihar and Assam are going to get this, then certainly I have a right to quarrel with them. I would not have been sorry if Bengal, Bihar and Assam got it.

THE HONOURABLE MR. BIJAY KUMAR BASU: These provinces have a right to the whole of the duty.

THE HONOURABLE MR. V. V. KALIKAR: The Central Provinces and Berar have a right to the whole of the income-tax. But nobody gives it. If a question of the right of a province arises, then certainly all the provinces throughout India can claim certain taxes for themselves. I do not want to make it a complaint. But I frankly state, Sir, that unless these taxes were removed, the Government of India should not have considered the claims of Bengal.

Only one word more. All the provinces have to make some demand on the central revenues. I find that something is being given for civil aviation. I should make a request to the Government of India on behalf of my province that some amount may be spent over civil aviation in Nagpur. They are going to start a club there. The local Government, I am told, is going to approach the Government of India. I therefore request the Government of India to consider their claims also.

In concluding my remarks, I have to congratulate the Honourable the Finance Member and the Honourable the Finance Secretary because they have been fortunate enough to present us with a surplus budget of Rs. 150 lakhs. But, as I said in the beginning, there are so many emergency taxes that I cannot call it a surplus budget.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, first of all, I have to protest strongly against the manner in which the discussion on the general budget has been expedited this year. Ever since the formation of this Chamber, Sir, discussion of the general budget has always been proceeded with full five or six days after its presentation in the Council of State and the Legislative Assembly. Even last year, it was presented in this House on the 27th February and discussed on the 5th March, with a full period of six days for consideration after its presentation. This time only a single day has been allowed between its presentation and discussion. I am sorry that I cannot make out the reasons for such a hasty disposal of such an important business as the general budget of the Government of India. I fail to understand what are the special reasons for this deviation on the part of the Government of India from the procedure adopted for the disposal of the general budget every year ever since the inception of the present form of central legislature? No doubt the days allowed for its presentation and discussion have been sanctioned by His Excellency the Viceroy but the allotment must have been surely made at the instance of a responsible Member of the Government of India chiefly associated with the work of this budget. Can I expect that the Honourable the Finance Secretary will take the trouble to explain it to the House as to why the disposal of such an important item has been arranged to be proceeded with in such a hasty manner?

As for myself I have found it absolutely impossible to read the bulky volumes of papers connected with the Statements of Demands of Grants which have been given to Honourable Members in the evening of the day before yesterday, within so small a time as a single day allowed to us between their presentation and discussion. Sir, the Delhi session of the central Legislature is generally known as the budget session and it is chiefly for the consideration of the budget that a session of the central Legislature is convened at this place at such a great expense. Is it not then strange to find that the special work necessitating the calling in of the Delhi session is given the time of only two days for its presentation and consideration, discussion and disposal all through? To my mind this method of proceeding with the disposal of such an important work in such a hasty manner is nothing but to make a mockery of the work and I cannot see how far the Government of India is justified in treating so lightly such an important subject as its budget which concerns it most as well as the general taxpayer? As I suppose, Sir, each and every Honourable Member of this House is a taxpayer, contributing his quota of taxation in a larger measure as compared with the Members of the other House. As such this House is more concerned with the consideration of the Government of India's budget than the Legislative Assembly, but what a pity

[Sir Mahomed Akbar Khan.]

that only a single day is allowed to us between its presentation and discussion, whereas the other House is granted full four days to take up its consideration after its presentation therein. It is simply due to our bad luck this year, otherwise it has never been so in the past, and I hope that in future also, in the interest of the larger taxpayers, the Government of India will stick to the old procedure of allowing us at least five or six days between the presentation and discussion of the budget so as to enable us to study it full well, look into its merits and demerits as best we can and thereby be in a position to express our considered opinion on it.

As regards the budget under discussion, Sir, it is really gratifying to see another surplus budget this year also. It is the third surplus budget of the Government of India and it is a happy augury for the Honourable the Finance Member to produce his very first budget with a surplus of Rs. 150 lakhs. Rs. 8 lakhs of this surplus he proposes to dispose of by abolishing the export duty on raw skins and Rs. 136 lakhs of it towards a slight reduction of the income-tax surcharge, leaving a nominal surplus of Rs. 6 lakhs at the credit of the Government. No doubt, the Finance Department deserves to be congratulated for any surplus budget nowadays and especially the one under discussion which is the third of this kind in regular succession, but if we look at the other side of the picture we will find that all these so-called surpluses are simply due to the operation of the Supplementary Finance Bill of September, 1931. As Honourable Members are well aware the Supplementary Finance Bill of September, 1931 was only adopted as a temporary measure for a period of a year and a half, simply to make good the deficiencies of the preceding budgets. Its passing into law at that time was subject to a clear promise on the part of Sir George Schuster, the then Finance Member of the Government of India, that it will be no longer required after its stipulated life of a year and a half. This means that its operation ought to have ceased after the end of March, 1933. But how does the matter stand at present? It is now a month less than three years and a half since its operation from September, 1931 and still it is going on without any perceptible signs of its withdrawal in the near future. In other words, it has exceeded its life limit of a year and a half by nearly two years and still there is no hope of its remission in the immediate future. As already pointed out, at the time of its imposition, it was declared to be a temporary measure. It was not designed to become permanent, whereas it is very nearly the case in view of its operation of two years over and above its stipulated life, and there being no mention as to its ceasing to operate in the speech of the Honourable the Finance Secretary on the occasion of his presenting the budget under discussion.

The meagre reduction in the income-tax surcharges by one-third of their enforced rates is not an appreciable attempt towards withdrawal of the Bill in question. It further loses its significance when we see that the salary cut of the servants of the Government of India amounting to Rs. 108 lakhs, which is the second instalment of its kind, has been restored *in toto*, while the income-tax surcharges have only been reduced by one-third of their present rates. Sir, the only purpose of the existence of any Government is the welfare and the well-being of its subjects and all this depends on the amount of taxation borne by the subject-community. In the case of this poor country we find that the interest of the subjects here are always put next to those of the Government servant. Although I do not grudge their emoluments, but, as a matter of fact, they are drawing high salaries and it makes no difference to them whether the 5 per cent. cut in their salaries is retarded to them presently or a little later. But the poor taxpayer is dying under the burden of taxes

and justice demands that he should be relieved of the unbearable burden imposed on him in the shape of these surcharges as soon as possible. On the contrary we find that the taxpayer is constantly kept down to bear the burden of highly excessive taxes simply to provide the Government of India for their avocations of constructive works such as the Public Works Department.

This policy of continuing taxation, Sir, is a matter of great objection to every taxpayer and I wish to make it known to the Government that they should please see to the advisability of discontinuing it as soon as possible. The existing form of rates of taxation are proving very hard on the general public. Take the case of income-tax. India is a poor country as compared with the United Kingdom. This fact is very well admitted by all, and yet we find that the rate of income-tax in England is not so heavy as it is in this poor country. In England, concessions are given to married men. There are allowances for the wife, children, and dependents, while there is no provision of the sort in the Indian Income-tax Act. In England allowances for wife and children are increased according to their number. Further there is an exemptable minimum of £130. If a man's income is £700 per year, the exemption in respect of £130 is allowed, and his income liable to assessment is taken at £570, but there is no such exemption in India. As regards super-tax in India, at the time of its imposition in the year 1918-19, it was represented by Sir Malcolm Hailey, the then Finance Member, as purely a war measure. It is now more than 14 years that the war has terminated but the super-tax is still tied to our necks with some increase in its rates every year. This policy of increasing taxation every now and then is not a good policy and the Government ought to have resort to a more lenient policy of taxation than its present one. Personally speaking, I am in favour of a universal rate of tax and I think that all my Honourable colleagues would also agree to it, for it has ever been enforced here as well as in other Muhammadan countries and I would suggest to the Government to adopt that form of taxation. But as regards graduated rates of taxes, I am strictly opposed to them and the sooner we are relieved of this form of taxation, the better for the general taxpayer. It is therefore that I want to impress it upon the Honourable the Finance Member that substantial reduction in the present rates of income-tax and super-tax is urgently called for and add that unless the supplementary Finance Bill of September, 1931 ceases to operate, there is not much to rejoice over these surplus budgets.

Another feature of disappointment with regard to the present budget is that no reduction has been allowed in the postal rates or the prices of post-cards and envelopes. These are the things which concern each and every person and especially the poor people. It is a matter of great regret to find that in spite of three surplus budgets in succession, not even the slightest relief has been provided to the teeming millions of the poor classes all over the country. Although the flat-rates of the Posts and Telegraphs Department are borne equally by the high and low, yet unless all these excess in charges are removed once for all it cannot be said that in the strict sense of the word we have a real surplus budget.

On the expenditure side it is indeed gratifying to note that the defence budget for 1935-36 has been reduced to nearly Rs. 50 crores, with a reduction of no less than Rs. 10 crores as compared with the army budget after the termination of the war. This is undoubtedly due to the untiring efforts and sympathy of His Excellency the Commander-in-Chief, to whom I take this opportunity of expressing our grateful thanks. At the same time I would request him to please stop the question of any kind of reduction in the pension

[Sir Mahomed Akbar Khan.]
of military pensioners. When there is no question of reduction in the salaries of the officers in service, why should there be any reduction in the pensions of retired officers?

Owing to the world depression, Sir, there has been a considerable downfall in the economic conditions of this country. Prices have gone down and the purchasing power of the people has also gone down. It is said to have declined by over 47 per cent. On the Government side the chief feature of their budget is a steady level of the tax receipts and a slight decrease in expenditure. The present day conditions in the country do not permit of a 5 or 10 per cent. cut in expenditure. What is needed is a heavy axe to bring down the expenditure in all the civil departments almost in the same proportion as the fall in the national income. May I, therefore, ask the Honourable the Finance Member if he is prepared to consider the question of reducing the Government expenditure to the pre-war level? To my mind this is the only way to restore the equilibrium of the country.

THE HONOURABLE MR. HOSSAIN IMAM: Reduce the salaries!

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Well, reduce everything all round! Cut your coat according to your cloth! That is the saying.

Another matter to which I would like to invite the attention of the Government is the question of finding some stimulus for the export trade. India is an agricultural country and owing to the general depression throughout the world, it has suffered most on account of the fall in prices of its agricultural products. This has resulted in great distress and suffering to agriculturists. Honestly speaking they are living on the verge of starvation and the majority of them are in a state of actual starvation. The present rate of prices of their products is leaving them no profit at all and they have to dispose of their cattle and other holdings in order to pay the Government land revenue and water taxes. Under the circumstances, it is highly imperative that some effective measures should be found with a view to remove their misery and distress. Some fresh markets should be opened for the agricultural produce of India in order to secure restoration of their prices which is the only way to bring relief to the poor agriculturists of this country.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock,
the Honourable the President in the Chair.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN (East Punjab: Muhammadan): Sir, the Finance Member is to be congratulated for presenting a budget which shows signs of improvement in the financial position. There has been considerable increase in revenue over the original budget anticipation during the current year so that the surplus is now expected to be Rs. 327 lakhs instead of Rs. 10 lakhs. Sir, between 1931 and 1934 the cost of civil disobedience and terrorism was one of the biggest items in the country's expenses especially in the province of Bengal. It is not possible to over-estimate the evil effect of these movements on the financial position. It is a matter of gratification that our countrymen are now realising that such movements are most harmful to the best interests of the country and India's salvation lies in peace and harmony. If the money which had to be spent

in suppressing these evil movements could be spared and spent in carrying out the nation-building schemes India should have by this time gone a long way towards real prosperity in spite of the world-wide depression during the last four years.

Sir, a most satisfactory feature of the budget is the grant of one crore for distribution to the provinces to be spent on schemes for the economic development and improvement in rural areas. India's mainstay is agriculture and any steps towards the welfare and prosperity of the agriculturist would go a long way towards the amelioration and contentment of the masses. Most of the provinces are showing deficits in their budgets and they require financial assistance from the central Government to balance their budgets. Schemes like the Bhakra dam in the Punjab, and the general river scheme in the Frontier province are held up for want of funds and should be taken up as early as possible. Although much has been done in this direction, vast areas of cultivable land remain to be developed for lack of irrigation. If means are found to utilise the water which runs to waste in the sea, India would be raised to one of the most prosperous countries in the world. Sir, the contribution of Rs. 40 lakhs towards roads is another gratifying feature of the budget. So much has been spent on the Sukkur Barrage scheme but there are no roads in Sind worth the name and without roads no colonisation scheme can be made successful.

Sir, our pressing need at present is to find markets for our agricultural and other products and we should strain every nerve to revive the export trade. The abolition of the export duty on raw skins is therefore a welcome change. The relief under the head of income-tax is another pleasing feature of the budget. I hope next year it will be possible to take off the surcharge altogether. Sir, India's credit stands high in the markets of the world and the result is due to the efficient management and control exercised by the Government of India in the Finance Department.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras: Nominated Non-Official): Sir, I should like at the outset to express my appreciation, if I may presume to do so, of the short, lucid and businesslike speech in which the Honourable the Finance Secretary explained the main features of the budget, and I should also like to congratulate the Honourable the Finance Member who is present here on his good fortune in being able to present a surplus budget. Most people do not regard the budget as an abstract problem in public finance. They are interested in the budget because they expect to find in it some expression, however abbreviated it may be, of the policy of the Government in various spheres of national activity and also because they expect to find in it a measure of the moral progress and economic prosperity of the people. It is to one or two aspects of the budget as thus regarded that I propose to direct my remarks. I must, before proceeding any further, express my disappointment that the Government have not found it possible to come to a decision on the rice question, which was discussed in the Council a few days ago, and in the other House about two or three weeks ago and which has been engaging the attention of the Government for a good long time now. I hope, however, my disappointment which I am sure will be shared by others will soon be dispelled by the decision of the Government.

One of the very attractive features of the present budget, to which Honourable Members have already called attention, is the allotment of a crore of rupees to provinces for rural development. I welcome this measure for two reasons. On its merits, rural development is so absolutely essential to national prosperity that the expenditure of public funds on it will be readily

[Sir Ramunni Menon.]

welcomed by all people. I welcome the measure for another reason, namely, that it is an indication that, in matters of national importance, the Government of India will not take a narrow view of their responsibilities but will be prepared to come to the assistance of provincial Governments even in a sphere of activity which is primarily a provincial concern. I hope that this occasional practice of giving assistance to provincial Governments will soon be converted into a regular policy of the Government of India and that the policy will be extended to all spheres of national activity.

There is a small item of expenditure of Rs. 25,000 hidden somewhere in the budget under Education. I bring this to the special notice of the Council because I think this expenditure is for a sound and beneficial purpose. This expenditure is provided to meet the cost of the Central Advisory Board of Education. The establishment, or, to be more accurate, the revival, of this Board is, I consider, one of the most beneficial measures that the Government have taken in the last year. The Advisory Board has long been over due, and I am very glad that it has arrived at last. The whole system of education in this country requires thorough overhauling in all its stages. I am sure that, in this critical juncture in educational development in this country, the opinion, advice and guidance which the Central Board will be able to give to the provincial educational authorities and the co-ordination of policy and effort which it will be able to bring about should be of the greatest possible advantage. I am very glad, therefore, that the Honourable the Leader of the House—whom we miss here today—has been able to add this to his many other achievements as head of his department.

I should now like to put forward a point which I think deserves consideration, and if the Government find in it anything with which they are inclined to agree, I hope they will bear it in mind when framing their schemes of taxation and expenditure for the future. It has been observed that the existing distribution of responsibilities and resources between the central and provincial Governments is not satisfactory. The provincial Governments are charged with Education and other national activities which entail an unlimited expenditure, but are assigned sources of income which are incapable of expansion. On the other hand, the central Government have responsibilities of a comparatively restricted kind and at the same time enjoy growing sources of revenue. It is quite obvious that under this arrangement, if the provincial Governments are to discharge their responsibilities adequately, they will have to depend upon considerable financial assistance from the central Government. The force of this contention seems to be recognised by the authorities, because I find that in the new Constitution Bill a provision has been introduced by which, under certain conditions, proportions of income-tax and salt-tax will be distributed to the provincial Governments. One does not know when this statutory provision will be brought into operation, but pending its being brought into operation, I venture to think that the central Government should accept the principle and act upon it and distribute any available surpluses to provincial Governments towards the financing of national schemes. The need for assisting provincial Governments is particularly urgent in the matter of Education.

One of the most pressing needs of the day—I should regard it as the most pressing need—is the extension of elementary education. In the modern State the provision of education for its citizens is coming to be recognised as one of the primary duties of the State. In fairness I must say that in India the State has accepted this responsibility. But unfortunately, the provincial

Governments upon whom the charge for education rests, have not been able to embark upon any comprehensive scheme of education owing to financial difficulties. Whatever schemes they were able to inaugurate have had to be curtailed owing to the financial depression, and the inevitable result is that the rate of progress has been very materially retarded. The Report on Education in India for 1932-33, which has recently been published, will support my statement. I consider that the task of dealing with the education of the masses cannot any longer be delayed. Every year of delay will merely increase the magnitude of the task and will throw an increased burden on the future taxpayers. Money must somehow be found for a very ample measure of expansion of primary education. In considering schemes of expenditure and taxation I think this fundamental fact should be borne in mind. After all, the many illiterate millions of this country have some claim on the revenues of the Government. Are they not entitled at least to the barest minimum of equipment necessary for their cultural growth? I consider that their educational need is a national need and should have a first claim on the surpluses both of the central and the provincial Governments, and in dealing with surpluses which we hope will accrue to the central Government in the future, I hope the Government will always consider this national need before they decide to utilise them in other ways.

I have referred to this particular aspect of the question because I consider that sufficient attention has not hitherto been paid to it. There are other features of the budget which invite comment, but I shall not refer to them. On the whole I think this year's budget is extremely satisfactory and should commend itself to this Council.

THE HONOURABLE MR. S. D. GLADSTONE (Bengal Chamber of Commerce): Sir, I will refrain from adding yet another protest to those which have already been made by so many Honourable Members about the totally inadequate time which we have been given to consider the budget proposals. It is sufficient for me to say that I concur with what has been said on this subject this morning and that any views which I express now are of necessity only of an entirely preliminary nature.

Sir, my first impression of the budget proposals as a whole is that they are sound to the degree of being too cautious. It seems to me that they are based upon unnecessarily conservative views of the future. I recognise that even if this is so, even if an unduly cautious view has been taken in some instances, as I believe it has, it may be claimed that there is no serious ground for complaint and that the benefit of this policy will accrue in the future. In this country, Sir, as in the United Kingdom, we have been brought up to appreciate to the full the inestimable benefits of sound finance and sound budgeting, and the last thing any one of us can want is a departure from this policy even to a small degree. As I have said, however, I think the Honourable Finance Member has exercised undue caution in framing some of his estimates and as a result there will be legitimate disappointment felt by the taxpayers. The tale which was so ably and so concisely unfolded to us in such clear language by the Honourable Mr. Tallents in this House on Thursday afternoon reflects the undoubtedly improved position of most branches of commerce and industry in this country and there is, in my opinion, every reason to believe that, given freedom from political and other disturbances, this process of improvement will continue, resulting in increased revenues to the Government of India and to provinces, and in the opening up of the way, not only to reduced taxation, but also to a more bold policy of expenditure upon schemes of a

[Mr. S. D. Gladstone.]
productive nature which it has been impossible to cater for adequately during the years of depression and shrinking revenues.

That we have left behind us the worst part of the depression has been clearly indicated by trade and traffic returns for many months past and also in a number of other ways, and that conditions are really substantially better than they were is conclusively proved by the figures which have now been laid before us. It must be a matter of great satisfaction to the Honourable Finance Member to find that he inherits—along with some liabilities, no doubt,—surpluses over estimates of no mean extent from the years 1933-34 and 1934-35 which places him in the happy position of being able to make distributions at once to the extent of Rs. 389 lakhs. With his proposals as to how this amount may best be disposed of, I think we can have no quarrel and I would specially applaud the proposed gift of Rs. 1 crore to the provinces to be spent upon schemes for the economic development and improvement of rural areas. This is a most thoroughly deserving object and the money so spent—and I have no doubt it will be expended with the greatest care and under the strictest control—will certainly prove to be a sound investment. The same may be said to apply to the Rs. 65 lakhs which are to go to Roads.

As regards the grant to Broadcasting, I feel inclined to support this on this occasion as the scope for broadcasting in this country is very great and it can undoubtedly do very great good. Moreover without some assistance development is bound to be slow. But as far as possible and as soon as possible this department should be able to stand upon its own legs. I would not like to think that it is to become a department which is to require permanent assistance from Government revenues. I think even now the financial position of Broadcasting would be appreciably better if the licensing rules were to be more rigidly applied.

With the principle of the proposal to pay for the transfer of the Pusa Institute to Delhi out of the surplus, also the cost of the Civil Aviation programme I am in whole-hearted agreement, as it would clearly have been unsound to charge the cost of these two schemes to capital but I am not so sure whether it would not have been fairer to have spread this expense over a short period, say, of three years.

I now turn to what are described as the main proposals for 1935-36 and if we admit the justice of the restoration of the balance of the pay cut, as I personally do, it seems to me that the Honourable Finance Member's proposals regarding the disposal of the surplus of Rs. 142 lakhs are as fair as they could possibly be. But this opinion of mine is based on a surplus of Rs. 142 lakhs and my contention is that Sir James Grigg might justifiably have produced a better sized rabbit out of his hat, might reasonably and without departing in any way from the principles of sound finance and sound budgeting, have shown a surplus sufficient to reduce the surcharges on income-tax and super-tax by one-half instead of one-third. Surely conditions today are immeasurably better than they were when the first half of the pay cut was restored. So why must the unfortunate taxpayer be content with a rather miserable one-third?

Still we must be thankful for whatever we may get, that I clearly recognise and if we must be content with a one-third reduction for the present we will only be so under protest and in the sure expectation that the remaining two-thirds of those surcharges will come off at the close of the current year. That the small income-taxpayer should share in any relief going, is, I consider, equitable and I consequently support the decision that those paying tax on incomes between Rs. 1,000 and Rs. 2,000 should share in the scheme.

Before closing, Sir, I must refer briefly to two matters of particular interest to Bengal. It was a great satisfaction to us from that part of

India that after so many years the justice of the jute-producing province's claim to the proceeds of the jute export tax was recognised in principle and it is gratifying that under this head Bengal is to receive some Rs. 149 lakhs. I want to emphasise once again, however, that Bengal's claim is for the whole of this tax and full justice will not have been done until the whole of it is released.

Finally, a word about the additional import duty on salt. This is clearly a duty imposed in order to assist the producers of Aden and the burden of it falls upon the poorest classes in Bengal. I therefore cordially welcome the Honourable Finance Member's statement in this connection and earnestly trust that both Houses will decide to remove this duty at once. I do not consider that such action would involve any harsh treatment of the vested interests which have grown up because I think they were clearly warned at the time the additional duty was imposed that it was only temporary. There will certainly be much controversy on this question and keen opposition from some quarters but it is to be hoped that the Bengal view will receive the sympathetic consideration which it clearly deserves.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I desire in the first instance to congratulate the Honourable the Finance Secretary on the admirable lucidity and brevity of his statement. But, Sir, while it is possible to admire the brevity and lucidity of the budget statement, it is not possible to enthuse over the budget which has been presented to us by the Honourable the Finance Secretary. Indeed the author of the budget, the Honourable Sir James Grigg, whom we are very glad to see just now here, has himself said that he is not satisfied with the budget and that this budget will satisfy no one. Now, Sir, what are the main features of this budget? Considering what we have been through during this period of economic depression, it is satisfactory to note that we have a surplus budget and that the revised estimates also show a surplus of about Rs. 327 lakhs. But, Sir, how has this surplus been obtained? This surplus has been obtained by keeping taxation at a very high level. This surplus has been obtained by not enforcing the provisions of the sinking fund prior to 1933-34. These are facts which we might remember in considering the question of the surplus. What are we going to do with this surplus? The distribution of a surplus is always a difficult task and it must be admitted that so far as the provision for rural uplift is concerned, it has the support of this side of the House. Sir, I do not know, however, whether this provision is in the nature of a political stunt or whether it is really intended for the benefit of the masses of India. The Government of India have suddenly realised that they have a duty towards the rural classes in this country. Mahatma Gandhi has roused the Hindu conscience on the question of untouchability; he has also succeeded in rousing the conscience of the Government in the matter of rural uplift. But, Sir, whatever be the motive behind this move, the move itself is in the right direction and I do earnestly hope that in the actual spending of this money the Government will take into confidence non-official Members of the Legislature. My suggestion would be to appoint an advisory committee of both Houses of the Legislature to consider the ways in which this sum might be best utilised. I do not wish you to give any executive powers to this committee. It will act merely as an advisory committee and I say if you appoint an advisory committee you will strengthen your position so far as the Legislature is concerned. Then, Sir, a sum of Rs. 20 lakhs is going to be spent on broadcasting. We all know that broadcasting is a very useful object, but for whom are you going to broadcast? Are you going to have some provision for free broadcasting in rural areas or is this broadcasting going to be only for the rich and the wealthy, that is, those who

[Mr. P. N. Saprū.]

can afford broadcasting instruments? If the latter is going to be the case, I do not think that the money is being well spent or well used.

Sir, there has been some relief so far as the surcharge on income-tax is concerned and also on incomes between Rs. 1,000 and Rs. 2,000. And, Sir, for this little relief we are thankful to our trustees who are anxious to have their cuts restored. It is the heavy income-taxpayers who will benefit by this small reduction of the surcharge on incomes, and for this mercy they will have to thank their trustees who also will benefit by this reduction. So far as the poorer classes are concerned, that is to say, those income-taxpayers with incomes of Rs. 1,000 to Rs. 2,000, their case is already hard and one would have thought that in decency and fairness Government would have waited for the restoration of the cut until such time as they were able to reduce substantially the burden on the poorer sections of the community. But, Sir, the country exists for the services and not the services for the country and that is the plain truth of the matter. Therefore, it is no use our protesting against the salary cut. It was indeed a surprise that there ever was a salary cut. It would have been a scandal if there never had been a salary cut and now the earliest opportunity has been taken for its restoration. Now, Sir, we enter our protest. It might have been possible to support the restoration of the salary cut had it been confined to the poorer employees who get Rs. 100 or Rs. 150, but for over-paid servants, well, Sir, who can say that he can support the restoration of the cut?

Then, Sir, I come to some more fundamental problems. The fundamental fact about India, the tremendous fact about India, the terrible fact about India, is that it is a terribly poor country. We can have some idea of the poverty of the country when we remember that the gross central revenue of a vast sub-continent is only Rs. 121 crores and if we take into consideration only the net revenue it is about Rs. 77 crores because for the money that we get from railways—Rs. 32 or Rs. 33 crores—for that we act merely as a clearing house and the cost of collection has also to be deducted. Then out of this Rs. 77 crores, what is the amount we spend on the army? We spend about Rs. 45 crores—Rs. 44·8 is, I believe, the actual figure shown in the budget. This is the visible amount we spend on the army. So far as the invisible amount is concerned, it is difficult for me to calculate it, having regard to the short time which has been given to us to study the budget. Now, Sir, this means really that we are spending very nearly 60 per cent. of our net central revenues on the army. I have no doubt that the army is being kept up in a state of perfect efficiency. But, Sir, we have to cut our coat according to our cloth. Sir, we are not responsible for the foreign policy which dictates military expenditure. We are not responsible for the foreign commitments of Great Britain. We are not responsible for the imperial purposes which Great Britain has in keeping this army here. It is no use saying that British troops are intended to be here only for the purpose of internal order and defence from external aggression. Sir, the present ratio was fixed in 1859 after the Peel Commission had reported on this question of the ratio. And what influenced the Peel Commission in fixing the ratio was the Mutiny complex. The British authorities at that time were suffering from the Mutiny complex. You ought not to stick to that ratio now. You say you want to lead India to dominion status. Why do you not substitute for this policy of distrust a policy of trust? Before the war, the British Army strength stood at 80,000. Now, the strength of the British garrison is about 60,000. Well, has this reduction of 20,000 led to greater disturbances? Has it led to more Hindu-Muhammadan riots? Has it led to more insecurity of life? Well, if it has, then you are not paying

a compliment to your rule of 50 or 60 years in this country. Therefore, Sir, there are two alternatives before you. Either you reduce the British portion of the army very very substantially,—I want to emphasise these words “very substantially” because a nominal reduction will not satisfy us,—or if you are not prepared to reduce very substantially the British troops in India, at any rate bear the cost of these British troops yourself. Sir, we know that a Capitation Tribunal was appointed to inquire into this matter. Two very eminent Indians, to whom I desire to pay a tribute—Sir Shah Suleiman and Sir Shadi Lal—wrote a minute of dissent. As a result of this Capitation Tribunal, what is the relief that the Indian exchequer has had? About Rs. 1 crore and 50 lakhs will in future be contributed by the War Office to us towards army expenditure. You have by this plainly admitted that there is an imperial purpose behind this army, otherwise why are you contributing at all? Is it out of generosity? The real reason why you are contributing something towards the army expenditure—it follows as a matter of logic—is because you think that there is an imperial purpose behind the army in this country. The army provides training for your officers. The frontiers provide training for your officers and men. It is a sort of imperial depot for your troops. And you have got vast commercial interests in this country and you want to maintain this army for these interests. Well, what is the value of these interests? How much ought you to contribute having regard to the interests that you have in this country? Now, Sir, it is obviously difficult to go into the statistical material on this point in the very limited time which one can have in a discussion of this character. But I would just refer to a memorandum which was submitted at the first Round Table Conference by certain delegates to the Conference, the most prominent of whom was the late Sir Provash Chunder Mitter. In that memorandum they stated that the contribution of England towards the cost of the army should be Rs. 27 crores, or one-half of the total expenditure on the army. Now they quoted with approval from Mr. Ramsay MacDonald, the Ramsay MacDonald of an earlier day who was a Socialist before he became the nominal head of a National Government. Well, Sir, they quoted from that memorandum and they also quoted from the observations of Sir Walter Layton which are embodied in the Simon Commission Report, and then they went on to emphasise that it would be a gesture of goodwill on the part of England if she were to make a substantial contribution and they indicated what in their opinion that substantial contribution should be. They wanted Britain to make a substantial contribution towards the cost of defence in this country. Now, I would ask His Excellency, who has fought this question for India before the Capitation Tribunal, to take into consideration this memorandum of very moderate men and try and secure some relief for the people of this country. We want some relief, Sir. We want to develop the nation-building services in this country. We want to have ambitious programmes of social and economic reconstruction.

We want to have comprehensive schemes of social and economic reform. It is no use saying that other countries are spending very heavily on the army. Other countries are also spending very heavily on nation-building services. Other countries are much richer than we. There is no comparison between the national wealth of this country and the national wealth of France, of Italy or of even an Asiatic country like Japan. Therefore, Sir, when we say that you are responsible for our foreign policy, you are responsible for our military policy and you ought to have some concern for the poor cultivators in this country who want a better and higher standard of living for themselves, are we then to be dismissed as merely irresponsible politicians who have not studied this question carefully? Sir, I would like the Government to view this question from the point of view of humanity, from the point of view of the

[Mr. P. N. Saprui.]

people who have to struggle to make both ends meet, because, believe me, there is much poverty in this country. I have had some experience of slum work and I know what the lot of the poor in this country is.

I have been connected in my province with the movement for the uplift of the depressed classes, the Harijan movement, and I know what is the terrible condition in which these people live. I should have thought that with these surpluses you would have done something for these depressed classes whom you can use for your political purposes, but for whom you can find nothing in the budget. You have got some centrally administered areas and I should have thought that as a gesture of goodwill towards these depressed classes, Government would have out of this surplus made some contribution towards their amelioration. I may suggest that a sum of Rs. 5 or Rs. 10 lakhs at least should out of this surplus be reserved for the improvement of the condition of the depressed classes living in centrally administered areas. You would then be giving a lead to the provincial Governments in regard to this matter.

Then, there are certain other questions. There is the question of the fiscal policy of India. What strikes one when reading the budget papers is that most of our revenue is derived from indirect taxation. It is very difficult to find out what the incidence of an indirect taxation is. But I would say this, that the system of taxation is not equitable, and fair in so far as the poorer section of the community is concerned. So far as the poorer section of our countrymen are concerned, they have to bear a heavier burden than they should having regard to their actual financial condition. I am glad, Sir, that in some cases, the Finance Member himself realises the injustice of the present system of taxation. But, Sir, I do not know what he has in mind, whether he proposes to modify this system by preferential or differential arrangements, arrangements to which we on this side of the House have objection or in some other way. I think these preferential and differential arrangements have contributed not a little to the distress of both the commercial and poverty-stricken classes in this country.

There were other points to which reference was made by my leader, Mr. Hossain Imam. He referred, Sir, to the export of gold and the failure of the Government to levy a duty on the export of gold. Other countries are trying to build up their gold reserves. But you say that it is not necessary for us to have any duty on gold. Am I wrong in saying that a national Government would in this matter have acted in a very different manner?

Then, there is the burden of excise duties on matches and on sugar, and industrialists are not satisfied with these excise duties. They say that these excise duties are hampering industry. There is an industry in my province, the glass industry. It is situated in the Aligarh district. A Tariff Board was appointed to consider the question of this industry. But no action has yet been taken on that report of the Tariff Board, and the industry is struggling for existence.

Sir, before I close my remarks, I would also like to refer to the case of the non-official universities in my province which are under the charge of the Government of India. These universities are doing very useful work. I do not think we have had enough of university education. We want both expansion and improvement of university education in this country. I know, Sir, the Benares Hindu University, and I know what magnificent work the Engineering College of that University is doing for our province, and yet, while you are prepared to restore the salary cuts in the case of men who are

enjoying the Lee concessions even at a time of depression, in the case of men who are getting very good salaries from our point of view, you cannot find money to restore the cut in the case of these universities. That is not how a National Government would act in regard to universities which owe their existence to an Act of this Legislature and which are doing very good work so far as the education of all classes of the people are concerned.

This is all that I have got to say. But before I close, I would again emphasise that there is need for a substantial reduction of military expenditure and that His Excellency should use his best offices with the Government in England to get either a very substantial contribution for us or be prepared to reduce very substantially the British troops in this country. Sir, the burden is intolerable and with this burden, I dread to think of what will happen when the new constitution with the heavy expenditure it will entail comes into force.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I congratulate the Honourable the Finance Member and the Honourable the Finance Secretary on their good fortune in presenting to the Legislature their very first budget and that a surplus budget. I must say that on the whole this budget is disappointing. One of my friends, while speaking from this side of the House, said that in Bombay and Calcutta this budget has been well received. I will myself quote the opinion of a leading Bombay gentleman which appeared in the Press this morning: That business-man says :

"It has had a depressing effect on the market, which today opened half an hour after the publication of the budget. Government securities registered a decline of 31 per cent. slumping from Rs. 96-10-0 to Rs. 96-4-0."

Sir, I endorse the remarks which have fallen from the lips of my Honourable friends, Mr. Miller and Mr. Gladstone, that this House is not given due consideration. The budget was presented to this House at about 6 P.M. the day before yesterday, and we are asked to take part in the debate today. Is this possible and are Government justified in thinking that Members can go through that volume of literature in such a short time and come here prepared to make right observations?

Sir, this budget is disappointing because practically it gives very little relief in taxation, which stands today at a very high level and is unbearable. The author of the budget himself admits that it is disappointing, so I need not dilate more on this subject. The army expenditure is again going up. This year it has gone up by practically Rs. 80 lakhs, Rs. 60 lakhs being directly shown in the estimates and there being a saving of Rs. 20 lakhs in the purchase of foodstuffs. So practically it comes to Rs. 80 lakhs, and if you add the loss on strategic railways and other incidental expenses, it will be swollen still more. I beg to ask His Excellency to be so kind as to tell this House what are the factors since the war which have made the expenditure swell so high and why has there not been a reduction to the pre-war level? Is it that the relations of our Government with the neighbouring powers have become strained? Sir, no country in the world keeps such a huge standing army and I am of the opinion that the sooner the army is reduced the better. I think the Retrenchment Committee proposed a substantial reduction in army expenditure which I am sorry to say has not yet been achieved. I will read a few lines from the report, from which it will appear that His Excellency the

[Rai Bahadur Lala Ram Saran Das.]

Commander-in-Chief gave us a warning that the army expenditure is likely to rise more and more. He said :

"Honourable Members have been warned from time to time that the budget allotment accepted by His Excellency the Commander-in-Chief during recent years should not be regarded as marking a new permanent level of defence expenditure, because to some extent the very large reductions made have been achieved by measures of a purely temporary nature".

Sir, I would request His Excellency the Commander-in-Chief to effect more savings in army expenditure. The chief factor which will materially reduce army expenditure is increased Indianisation in the services and reduction in the number of soldiers. From what His Excellency told this House the other day, it appears that during the next 14 years he saw no hope of Indianisation proceeding at a greater pace than today. I request him to move in the matter again and try to get the pace of Indianisation accelerated, and the system of army reserves and militia much developed and increased.

Sir, the Government of India has this year shown its solicitude for the poor. I thank Mahatma Gandhi for this, because I think he has been the real sponsor of this movement, and I hope that the amount provided for rural uplift will be spent in the right direction. Much is being said about rural uplift and the amelioration of conditions for the rural classes, but what do we find in practice ? The present exchange ratio is not in the interest of the cultivator and that fact has now been proved and established. While the rupee value has appreciated the revenue, which was based on the old level of the rupee, has not been decreased. Exactly the same is the case with canal water and other cesses. The chief trouble in India is unemployment. Although many committees have sat in various provinces to solve this problem, nothing practical has yet been done, and in this rural uplift campaign, if no impetus is given to the development of small industries, the problem of unemployment will remain where it is. In this connection I would also say that a definite reconstruction programme should be set forth, so that the people may understand that this money will be rightly spent. From the information that has been placed before us here, I think it will be very difficult to spend all this money in the coming year, because the limitations on expenditure have been so defined that it would be impossible to spend the whole of this money.

Sir, money is very cheap today and we have been greatly disappointed not to find the Honourable Finance Member trying to substantially convert the loans to a cheaper rate of interest. I ask the Honourable the Finance Member to kindly tell this House why there has been no substantial conversion of loans this year ? When money is so cheap, the old loans bearing a high rate of interest should be replaced by 3 per cent. loans.

We expected that as a result of the inquiry which was going on through a special officer appointed by the Government to go into the question of the future salaries of superior officers something would be done. The present salaries are too high and we were promised that in the very near future a new scale of salaries for the superior services would be brought into operation. I understand that on that point the Secretary of State has ruled that there should be no reduction in the scales of pay for superior officers ? If I am wrong in this information I hope the Honourable the Finance Member will put me right.

Then, Sir, I endorse the views expressed in regard to the flight of gold from India. Finance Members have from time to time advised us that the sale of gold is in the interest of the poor people, who have got it as a surplus

and who sell it. I would with due deference inform the Honourable the Finance Member that this is distress gold. People in distress are selling it and every sale they make is a loss to them. Since the flight of gold began the price has been rising until now gold stands at a price which we never thought it could reach. The export of gold should be stopped.

Sir, I come next to income-tax and I must say that Government now has adopted the habit of violating their pledges. Their sacred pledges are being thrown to the winds. When a sacred pledge is made, it is made seriously and it is made with the intention of fulfilling it. As far as the income-tax office at Lahore is concerned, matters are becoming scandalous ; no secrecy is being kept whatsoever. We thought that the visit to Lahore of the Honourable Mr. Lloyd would put matters right, but nothing has been done so far and I can say from my personal experience that no account, no statement, can remain secret in that big hall where accounts are examined, where the assesses are examined and everybody overhears others. The other day I myself appeared before an income-tax officer and whatever I said to him, which was supposed to be in confidence, was overheard by the people sitting around me, so much so that the Assistant Commissioner of Income-tax recognised my voice. I told him that I had overheard what he dictated to his stenotypist and he told me that he also overheard me. I think in case Government want to stand by their pledge, this scandal should be immediately put right. In case an officer of the Income-tax Department has blundered in taking a long lease of an unsuitable building, that building should be sub-let even at a loss and the sacred pledge of the Government should be fulfilled.

THE HONOURABLE THE PRESIDENT : There is no question of pledge. There is a distinct section in the Act enjoining secrecy.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Then my argument becomes stronger because as it is embodied in the statute, it is the sacred duty of the Government to carry out that obligation. Then, as my Honourable friend the Nawab of Hoti has observed, there are no legitimate allowances given to income-tax assesses as regards their carrying forward their losses from year to year and for the maintenance of their families and the education of their children, these concessions are overdue now.

Sir, we were all expecting that, as the Government is now taking a solicitous view for the poor, the postage rate for the postcard would be reduced to one pice. That is a communication which is meant for the poor and we find that no reduction whatsoever has been made in that direction. Telephones, particularly trunk telephones, are becoming quite popular in India, and particularly in my province where, perhaps, we have more telephone stations than any other province of India, and I would suggest for the sake of better income to Government there should be no extra fee for a personal call. It will increase traffic and thereby it will increase the income of the department.

Then, Sir, I come to the Lee concessions. The time when the Lee concessions were given are now changed. The prices of foodstuffs and the cost of living has gone down and I see no reason why these Lee concessions should continue. It was said that they now form part and parcel of the salary, but I do not think that that was ever intended when they were introduced. That is all, Sir, I have to say.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadian) : Sir, I would also like to join with my friends in their remarks regarding the short time allowed to this House to consider

[Diwan Bahadur G. Narayanaswami Chetty.]

the budget. I would ask you, Sir, to request His Excellency the Viceroy to see that this House also is treated in the same manner as the other House is treated so far as the budget discussion is concerned. We were given on Thursday a very big bundle and speech and were asked to be here at 11 A.M. on Saturday ready for the general discussion. I submit it is physically impossible to go through these papers carefully if one wants to refer at least to previous speeches on the budget and to come prepared in this House.

Sir, I should like to congratulate the Honourable the Finance Member for having been able to introduce even in his first year of office such an optimistic budget with a surplus of Rs. 150 lakhs for the year 1935-36 and another non-recurring surplus of Rs. 389 lakhs as a result of last year's and this year's working. This is no doubt due to the very careful balancing and distribution of the assets and liabilities of the Government. This must be of very great encouragement in future years when we all hope the finances will improve considerably and surplus budgets become a matter of course.

The burden of taxation has been reduced in the shape of reduction of surcharges on income-tax and super-tax—though to a very small extent. Funds have been allotted for promoting schemes for economic development in the provinces, for the development of civil aviation and for the development of roads. Provision has also been made for the construction of broadcasting stations in Madras and Delhi. The export duty on raw skins has been abolished and we from Madras feel particularly happy over this abolition of export duty, since Madras is the only province, I think, which exports a large quantity of raw skins to foreign countries. This budget must also satisfy the hard-worked officials of the Government, whose cuts in salaries have been restored, and also the general taxpayer, whose burden of taxation has been reduced—though only to a small extent. These are certainly features which every Finance Member may feel proud of and that the new Finance Member has been in a position to do this at the very beginning of his career, is a matter for congratulation.

At the same time I am constrained to make a few observations on some of the points in the budget which require careful consideration and to make a few useful suggestions. Though an attempt has been made to stop the flow of silver from India, gold has been allowed its free flow outside. The items of taxation which fall heavily on poor people and other dumb masses have not been reduced. For example, excise duty on matches, sugar, kerosene and tobacco have not been reduced; and the rate for postcards in which this House has been for the last three or four years asking for a reduction still stands at the same level, though it was hoped every time that it would be reduced in the next budget from the time the rates were increased. I hope the Honourable the Finance Member will keep the interest of the masses at heart and do everything to alleviate their economic distress. I would also suggest that the funds allotted for the economic development of rural areas should be utilised for the laying out of village roads, construction of drinking water supply wells and for providing adequate rural medical relief. In this connection I would like to suggest that an advisory board like the one attached to the Imperial Council of Agricultural Research ought to be formed by the Government of India, so that they may be in direct contact with the Government of the provinces so far as rural development is concerned. Sir, it may be said that rural reconstruction is and will be a provincial item under the provincial Legislature; still I want the Government of India to have some sort of control over the spending of this money by the provinces and see that really substantial good is done by the allotment made by the Government of India. These

are important factors in the every-day life of the agriculturist and I hope the Honourable Member will bear these in mind when he distributes the amount of Rs. 100 lakhs for rural economic development, and if my suggestion about an advisory board is given effect to, a lot of good work will be done.

In conclusion I would strongly urge on the Government to completely remove the surcharges on income-tax and super-tax. These surcharges were imposed under protest, in 1931, but as the then Finance Member assured us that they were only emergency measures of a temporary nature, we accepted to being over-taxed. But now more than three years have elapsed and yet these surcharges are in existence, though I must thank the Honourable the Finance Member for having reduced it to one-third of what it was before. But this reduction is not enough. We want these emergency taxes to be completely abolished, if not this year at least next year and I am sure, if the Honourable Member wills it, he can abolish it just as he restored the cuts in the salaries of Government servants.

Sir, before I conclude I should like to say a word about an important matter concerning the province of Madras. The other day this House carried a Resolution of mine to check the import of foreign rice and I was looking forward very much to the budget proposals to see if anything was there but I am sorry to have to share the disappointment of my Honourable friend, Sir Ramunni Menon, regarding it. Sir, the matter has been under correspondence with the Madras Government since July, 1933, and, as the Finance Member said in the other House, they have come up five times to the Government of India who have not yet come to any decision, though I understood from my Honourable friend, Mr. Stewart, the other day that as Government's immediate attention has now been drawn to the fact, something may be done. I hope, Sir, that at least some measures will be adopted to alleviate the condition of the agricultural classes in my province so that they may be able, at least, to pay Government dues without any trouble and inconvenience. As I told the House the other day, Sir, they are not able to meet their annual *kist* for land or even to sell the land. Sir, these are the features I would specially stress. On the whole I agree with the conclusion of the Honourable the Finance Member, who very frankly admitted, that this budget will be found completely satisfactory by few people, but I hope, Sir, when we come next year to this House the over-burdened taxpayer will be given greater relief and the budget will be received in a more gratifying spirit by a larger number of people. I once again congratulate the Finance Member on the very satisfactory budget he has presented to us.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, some of the Honourable Members opposite appear—I will not say to have manufactured a grievance but they have put forward a grievance which is apparently based on the idea that the increase in the military budget has come upon them as a surprise. All I can say is that if it has done so they could never have listened to what I have said during the last two or three years. During those years we have never concealed for a moment the fact that the military budget of the last three or four years has been in effect a false budget. It has been a budget to meet an emergency and in addition we have only been able to implement the figures we have put forward by the fact that commodity prices have fallen to such an extent that we have sometimes made a saving from this cause of as much as Rs. 60 or more lakhs a year. And I am now in the peculiar position myself of being, I hope, a good citizen but at the same time one of the few citizens in this country at any rate who desire a rise in commodity prices. Probably everybody else in this House and in this country desires a

[His Excellency the Commander-in-Chief.]

rise except me. Because I know very well that if a rise occurs this year, the bottom rather falls out of my own budget.

One Honourable Member said that India was fortunate in the fact that her finances had been so sound that they can now borrow at 3 per cent. I would like to suggest that India is also fortunate in the fact that she is practically the only country in the world whose military budget has not gone up by anything from two to five times what it was before the war. On the contrary, I have been able to make what I hope are very large permanent reductions as well as those I have made to meet the particular crisis. The savings I made were not only produced to meet that crisis but they were a very genuine attempt on my part and my officers to make a permanent reduction in what I genuinely considered was the too great cost of the army in India. But a great many of those savings were made at a risk and we have now arrived at a state of affairs which I will explain, I hope, to the satisfaction of my Honourable friend Rai Bahadur Lala Ram Saran Das. There are more than three or four items in which we have run into dangerous ground. One is buildings. I have allowed the necessary repair of buildings to get into such a state that it is becoming absolutely uneconomic to allow them to go any further. I have, as it were, existed on my own fat. I have left my own resources—my ordnance requirements for war, my ammunition and so on—in a state where it would be dangerous for me to let them go any further. And I would ask my Honourable friend Lala Ram Saran Das, and I would ask the Honourable the Finance Member, which they would prefer—to allow a situation to arise such as arose just after the so-called Inchcape cuts? There was an insistent demand at that time that enormous reductions should be made in the army. Lord Inchcape came out here and he made certain proposals and the result of those proposals was that the army authorities were forced to let their stocks, their ammunition, their weapons, everything that was required for war, go down to a state of great danger. And they had to come to the Government and ask for a large lump sum, a sum of Rs. 10 crores for re-equipment. Would the Honourable Lala Ram Saran Das and his friends opposite, and the Honourable the Finance Member, consider that it would be better finance for me to allow that to happen again, or to go to the Finance Member now with a well-thought-out yearly programme and ask him for a sum each year which will, I hope, suffice to put the things right which have been allowed to get into a dangerous condition? To my mind there is only one answer to this question.

The full increase of the army budget this year is about Rs. 67 lakhs of which Rs. 58 lakhs are accounted for by the restoration of the cut in pay. The remainder of the items are absolutely necessary ones as I have explained. The biggest of them is Rs. 25 lakhs for works and buildings which have got in many cases into a dangerous condition. The next largest item is Rs. 12½ lakhs for renewal of stores of which I am rapidly running so short that I could not go to war. I have also had to propose a largish annual programme for the renewal of aircraft which we at present possess. That is not because the aircraft we at present possess are inefficient. They are very efficient. But aircraft suffer from the same disease from my point of view as battleships. They are obsolete almost before they touch the water. Invention is so rapid nowadays that I am told that unless I have a programme for the renewal of my present aircraft out here, our airmen might meet the enemy at a disadvantage, and that is unthinkable, I think you will all agree. That is an item that comes to Rs. 12 lakhs this year and there will be an annual similar programme for the next eight years. I can assure the House

that I will continue to do my best and I feel sure my successor will do his best to keep the cost of the army as low as possible; but I am absolutely convinced and I stand here before you all and tell you once again that the army and air force in India and the navy are just sufficient in my opinion to carry out the possible tasks that might be laid upon them and I would like to say that those tasks are not, as Mr. Sapru said, imperial tasks.

As he knows perfectly well, the Imperial Government have decided more than once and the Indian Government also, and they have given me my orders, that I shall maintain the fighting forces in this country at sufficient strength for what is known as the minor danger. 4 P.M. That is, the tribes and Afghanistan, and my task is to have the army ready to ward off the first brunt of anything bigger than that until such time as we are reinforced from Empire sources. Having said that, Sir, I do not think I can put forward any further arguments to counter those that have been put forward from the other side of the House. So far as I can see, they are all old ones, old bones dressed up in new frills, but nothing that we have not heard many times before.

I would like to conclude with a repetition of my statement: that there is no possibility of reducing the army as things are at present. One Honourable Member on the other side of the House actually suggested that because civil disobedience has been called off, the army could therefore be reduced in size. You might just as well say that when Mr. Gandhi's activities ceased for the moment in 1922, we could then have reduced the army largely. What have I had to meet during the last five years out here? I have had to meet the rebellion in Burma which absorbed 11 battalions suddenly. I have had to put two brigades into Bengal. I have had to put nearly two divisions into the North-West Frontier to meet the Red Shirt menace. I have had to help in difficulties in two States. I have had troops called out in aid of the civil power over a hundred times in one year. Is there any one Member on the other side of the House who can say that all these things might not have occurred at the same time? I can assure you that although only one or two of them occurred at the same time, my Chief of the General Staff and I were more than once hard put to it to find battalions to deal with them.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, we have all listened with very great respect and attention to the speech on the army budget just concluded by His Excellency the Commander-in-Chief. I think every Member on this side will agree with me when I say that His Excellency's utterances in this House are really marked for their straightforwardness, frankness and candour. The other day, when we were discussing the question of the reduction of British troops, and incidentally the question of Indianisation of the army, I think His Excellency left no doubt in our minds where we stood. He clearly explained to us that our ideas of Indianisation were absolutely unacceptable from his point of view, and that we should understand clearly that for some time to come at least, there was no chance of accelerating the pace of Indianisation. Today, Sir, equally important questions are being discussed in this House and His Excellency has made it clear to us that he does not see any possibility of reduction in the army budget in the near future. He has given some very convincing arguments in favour of that proposition. On the other hand, he has himself mentioned the Inchcape Committee Report which laid down a certain amount to which the army budget must be reduced in due course—

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HIS EXCELLENCY THE COMMANDER-IN-CHIEF: That, I think, was to a 50 crore budget.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN—and His Excellency has further made it clear to us that it is absolutely impossible even to think of any substantial reduction in the near future. On the other hand, there is every chance of the army budget being increased owing to the restoration of these temporary cuts in pay, etc., which were imposed during the last four or five years, which he calls emergency cuts. I personally am one of those people who would not like to express any definite opinion on these highly technical military matters, because, after all, it is only experts who are in a position to know how much expenditure is required for keeping the army in its present efficient form. At the same time, I hope His Excellency the Commander-in-Chief will agree with me that during the last 10 years at least, this has been the burning topic of the day. Almost every section of the House, both in the Legislative Assembly and in the Council of State, has very strongly criticised the army budget. There are the taxpayers and their representatives who, rightly or wrongly, believe that the army expenditure in this country is absolutely beyond their means and can be reduced considerably. On the other hand, there are the army officers and His Excellency the Commander-in-Chief who certainly have better knowledge than these critics, who think that the army budget cannot possibly be reduced. So what do we find? There is a continuous struggle, continuous tug of war, between these two schools of thought. Is it not in the interests of the Government that some attempt should be made to reconcile these points of view? Is it possible? I am of opinion that with a little goodwill on the side of the Government, it is possible to achieve this object. I would appeal to His Excellency the Commander-in-Chief to see if he could take into confidence some leading Members of both Houses, whom he can ask to sit on a small committee and convince them of his case that it is impossible—that it is not in the interests of the army that any further reduction should be made.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: An Army Committee sat very recently. There was the Army Retrenchment Committee under the chairmanship of Mr. Rangachariar. Have you read their report?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I must confess that I am not aware what report that committee made and when that committee was appointed and what was the result. I can assure the Government that the position which some Members take up will be different if they are given responsibility. I have got personal experience. I think it was in 1927 or 1928, when I was a Member of the Assembly, almost all the leading politicians of the House used to say that the recruitment of British officers to the army should be stopped immediately. When the Sandhurst Committee was appointed, these very people subscribed to the proposition that by 1950 the number of British officers should be reduced to 50 per cent. That is the difference which responsibility makes. Therefore, I personally would advise the Government that instead of insisting on this attitude that they cannot reduce the army budget, should take a few leading men into their confidence and try to convince them that it is impossible in the circumstances to reduce the budget. It will serve no useful purpose for somebody to get up on the floor of the House and to say, "I am here to tell you that no reduction can be made". In this House and in the other House there will be a large number of Members who will get up and say, "We are here to tell you that the army budget must be reduced". Instead of creating bad blood, it will be much better if there is goodwill on both sides and if we both appreciate each other's difficulties.

But, Sir, the reason for my taking part in this debate was not really to take up the time of the House in a long discussion of the army budget. As a matter of fact, I had no mind to speak on this question, because I agree with my Honourable friend Sir Phiroze Sethna that the value of the budget should be judged from the opinions expressed by great businessmen and commercial magnates and not laymen like myself coming from a corner of the Punjab. But the reason why I made up my mind to speak was that I shall be failing in my duty to my constituency if I did not express my sincerest gratitude to the Government for providing Rs. 1 crore for uplift work in rural areas. It is not that the amount is so substantial or that I feel that the requirements of the rural people are so small that the amount of Rs. 1 crore would be enough, but it is because, even though it may be after a very, very long delay, the Government do realise that they owe a duty to the villagers and to the rural areas in this country, and I am very glad that they have provided this small amount. I do not know whether this amount is recurring or non-recurring. If it is non-recurring then I must submit that the Honourable the Finance Member must make up his mind, at least as long as he is in charge of his office and as long as he is lucky enough to give us surplus budgets, to see that this item becomes a recurring charge. The condition of the agriculturists has been most deplorable during the last seven or eight years, and I think every Member of this House will agree with me when I say that the Government have hopelessly failed to appreciate the difficulties and trouble of the rural people and in applying remedies. The other day a Member of the Assembly was enumerating the great things which the Government have done for the people in the villages. I come from a village and I can assure you that that reminded me of a story of a newspaper reader who read in a paper that there had been heavy rain in his town. He had only read that there had been rain, but in fact there had been no rain. Similarly when we read these debates and hear these speeches, we feel that there must be perfect sanitary arrangements in the villages, that almost everybody must be well educated and well fed and that they are leading a very happy life. But those who live in the villages only know what little attention is paid to their needs. A sum of Rs. 40 lakhs has been provided for road development. That is another item upon which I congratulate the Finance Member, but our experience has been that the sole attention of the Road Development Committee is directed to the construction of those roads which really concern the big towns. They have never paid any attention to the construction of roads in the rural areas.

Secondly, I would submit that this amount of Rs. 1 crore will not be enough to remove the difficulties and hardships under which these people in rural areas are working. There are two things which the Government must do if they want peace in the country, and if they want the rural people to appreciate the fact that the Government has their welfare at heart. First of all, the rural areas must be saved from the clutches of the money-lenders. Certain steps in this direction have been undertaken by local Governments, particularly the Punjab Government. But those steps are very half-hearted and hesitating. I was surprised that, in spite of a Bill having been passed by a local Council, His Excellency the Governor was reluctant to give his assent to the Bill. So the first thing the Government must do is to save these people from the clutches of the money-lenders, and, more than that, to set up certain organisations through which they can borrow money from banks at a low rate of interest.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Has the Government found a substitute for that Bill?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : That is what I am referring to. Government must provide some organisation through which zemindars can get money from a bank at a cheaper rate of interest. Co-operative banks there are at present, but their financial condition is not so good that they can meet the needs of the zemindars.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Do you want land mortgage banks ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : If I had unlimited time at my disposal I would love to answer all the questions put by the Leader of the Opposition, but as I have other points to make I do not like to answer these interruptions

The second thing is corruption. There is no doubt that corruption is rampant throughout India, and particularly in the rural areas. I will not be exaggerating when I say that at least half the income of the poor zemindar goes in giving bribes. Therefore the Government must take some measures to stop it. I know that it is public opinion which can really stop this evil but the Government have their own responsibility in the matter and I am sure they can and will do something.

Then, Sir, as everybody has talked about the benefit which his own province has derived or hopes to derive from this budget, I would make a submission in regard to the Khewra salt mines which yield an income of more than Rs. 50 lakhs to Government every year. Now, while the Government derive this benefit of about Rs. 50 lakhs of net saving from these mines, they are absolutely blind to the great damage which those mines have done to the culturable lands of the people in the neighbourhood. Sir, I come from a nearby town myself which once had a population of 35,000 which has now been reduced to 7,000, entirely on account of these salt mines. There is no drinking water anywhere. The poor villagers have to bring water for drinking purposes sometimes from a distance of 10 miles, all on account of the salt mines. The Government of India have been quick to reap the benefit of that salt, but they have not done anything to help the poor agriculturists who suffer through the mines. But I will raise this question on a separate Resolution and I need not detain the House on this point now.

Before I conclude there is one more point upon which I must congratulate the Finance Member, and that is in regard to the restoration of the 5 per cent. cut. I am very glad, Sir, that the Government have restored this 5 per cent. cut, because I personally am of opinion that if you keep your servants discontented, if they feel that you are being harsh to them, you cannot expect to get efficient work. Our first duty should be to see that those who are in service are content.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : And what about the subjects ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I say that is my opinion. The other is a separate matter. The services must be made content. And particularly when they are employed on certain terms, if a reduction is made in their salary against their will, it is the moral duty of the Government to restore that cut as soon as they possibly can.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will that moral duty apply in other directions as well ? In regard to surcharges ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I can tell you that I have very little sympathy with those who suffer from the surcharges. You only hear about them when you come to this House, when the big businessmen who are rolling in wealth talk about surcharges. But they do not talk much of the poor zemindar whom I am here to represent. Even a zemindar whose income from land is only Rs. 50 has to pay a tax. But the people who complain of the surcharge are those whose income is so high that they can well spare a portion for the revenues of Government. Therefore the Honourable the Leader of the Opposition may have sympathy with the demand for removing surcharges but I have none.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : Have you got any sympathy in regard to super-tax ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : My Honourable friend wants to create sympathy with the payers of super-tax in the minds of people who are not concerned. I am not concerned. My constituency is not concerned. What I am concerned with is the condition of the rural people. That was the only reason why I took part in this debate, i.e., to express my gratitude to the Government for taking a step in the right direction, and I hope that with the passing of time they will increase the allocation they have made.

THE HONOURABLE MR. J. B. GLASS (Burma Chamber of Commerce) Sir, I have to add my protest in regard to the short time allowed to us in which to assimilate and digest some 17 books and/or pamphlets containing information and statistics in connection with the budget. How can the Government expect this House to give a reasoned and intelligent criticism under such circumstances ? How can I personally get the assistance of and the considered views of my constituency in Burma to put before you. It is clearly impossible.

In regard to the presentation of the budget I have to join in congratulating the Honourable Mr. Tallents on the clear and concise manner in which he has painted the picture for us and to the Honourable the Finance Member for presenting us with a budget in which no new taxation figures.

I regret that under the present circumstances it is impossible for me to do other than skim over the salient points which primarily have appealed to me.

It is satisfactory to note the unexpectedly large surpluses which have been obtained but I, on behalf of my Chamber, cannot but express disappointment that relief to commerce from the removal of the surcharges on income-tax has only extended to a third whereas the cuts in pay have been restored in full. This latter aspect is in effect a further tax on the provinces as the central Government by restoring the cuts which have also to be borne provincially, actually adds to its revenue receipts by Rs. 16 lakhs of income-tax.

In the case of my province the extra expenditure involved by the restoration is Rs. 15½ lakhs and we are now budgeting for further economies amounting to Rs. 67 lakhs, despite an estimated deficit for the coming year of Rs. 93 lakhs, which will have to be borrowed from the Government of India and the total of our debt on the 31st March, 1936 will then be, if estimates are correct, Rs. 863 lakhs.

I do not cavil at the Finance Member including as a quasi surcharge the tax on incomes from Rs. 1,000 to Rs. 2,000 in his proposals for a reduction

[Mr. J. B. Glass.]

of such taxation by one-third? But it may prove an awkward precedent if Government do not favour proposals that income-tax on such incomes should be abolished altogether. I myself consider the incidence of both direct and indirect taxation should be levied in as widespread a manner as possible. It is interesting to note the progress made by the income-tax authorities in the collection of this tax :

	Rs.
1931-32	17,34,926
1932-33	69,73,048
1933-34	82,61,097

which must disprove any theories held that cost of collection counterbalanced receipts.

The budget may, as the Finance Member has said, satisfy few people but I trust it represents a definite turn of the tide and that next year it will be found possible to abolish the remaining surcharge on income-tax and customs and afford further relief to small incomes despite the advent of provincial autonomy.

I congratulate Bengal, Bihar and Orissa and Assam on the recovery of the full half share of the export tax on jute, but still maintain as emphatically as I did last year that Burma should in equity and justice, have been similarly treated in regard to the rice export tax as she contributes 90 per cent. of the amount collected which has represented roughly a crore of rupees annually to central revenues.

It is perhaps idle to expect a gesture from the Government of India to Burma in the budget on the approach of a parting of the ways but I do trust that the Government of Burma when stressing our relative treatment, while the discussion on the financial settlement between India and Burma is in progress, will meet with a sympathetic reception.

We welcome the removal of the export duty on skins as we did that of the duty on hides last year, measures my Chamber have long pressed for. In regard to the reduction of the tax on silver I take it there will be a corresponding reduction in excise.

Before I sit down I would say that the members of the Progressive Party should appreciate the manner in which some of their criticism of last year has apparently been met by Government. Grants are to be made to provinces totalling a crore, for schemes in rural areas for economic development and improvement, also Rs. 93 lakhs are to be provided for the civil aviation programme.

My Honourable friend from Bombay who has worked so hard on the Road Board has expressed satisfaction with the special contribution made to the Road Development Fund Reserve and I gladly note the special consideration to be given to Assam. I only hope that my province, which has been generally starved in regard to development and is no less financially embarrassed will also not be forgotten.

In conclusion I can but hope, as I feel that, the budget is based on conservatism and that the figures at the end of the year will enable the Honourable Finance Member to give freer range to his imagination in spite of his apparent fear of the consequences.

THE HONOURABLE THE PRESIDENT : As I wish to give all Honourable Members an opportunity of addressing the House, I will adjourn the Council for twenty minutes.

The Council then adjourned for Tea till a Quarter to Five of the Clock.

The Council re-assembled after Tea at a Quarter to Five of the Clock, the Honourable the Chairman (the Honourable Mr. E. Miller) in the Chair.

THE HONOURABLE THE CHAIRMAN : The debate will now be resumed.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Sir, if I begin by congratulating the Finance Department in the customary manner on this occasion, it is not because the budget that has been presented to us has aroused any great interest or enthusiasm but because of the candid admission made by the Honourable the Finance Member towards the close of his speech in another place that this budget would completely satisfy very few people and that it certainly did not satisfy him. It must at the same time be admitted to the credit of the Honourable Sir James Grigg and the Finance Secretary that the former's speech in the lower House and the latter's in this House while presenting the budget the other day were remarkable for their brevity and are on the whole businesslike statements.

The only relieving features of the budget are the proposed expenditure of a sum of Rs. 1 crore on schemes for the economic development and improvement of rural areas, and the reduction of surcharge on income-tax and super-tax and the income-tax on incomes between Rs. 1,000 and Rs. 2,000 by one-third. These proposals are welcome so far as they go, but nobody can question that they do not go far enough. The only people who can be said to have obtained any relief are the Government servants whose salary cut has been restored on the one hand and who will have on the other hand the advantage of having to pay less income-tax in future. But the budget proposals provide no consolation to the impoverished taxpayer who feels ground down under the crushing burden of heavy taxes. He is not provided any relief, nor a hope of early relief. It was high time that the Government had realised that the present level of expenditure was too high and the burden it involved on the people had verily become unbearable. If the Finance Member were to trace the history of most of the taxes he would discover that they were levied under the pressure of emergency and in every case a promise was held forth that they would be abolished as soon as the emergency was over. But a state of emergency has been fast assuming the shape of normality, and what was at one stage abnormal expenditure, has become, so to say, the irreducible minimum for running the State. Sir, in view of the fact that His Excellency the Commander-in-Chief has already replied to the criticism on military expenditure, I will refrain from dilating on that subject. In this connection, I will only say that it is our misfortune that I and my friends on this side of the House are not able to see eye to eye with him as regards the military policy of the Government of India. I will content myself with saying that no substantial relief to the taxpayer can be achieved unless the defence expenditure is reduced.

Now, with regard to the fractional relief proposed for the income-taxpayer, I need hardly remind the Honourable the Finance Member that the surcharge and the tax on incomes between Rs. 1,000 and Rs. 2,000 were emergency measures for a temporary period and that even the enhanced scale was never expected to be permanent. The beginning, therefore, that has been

[Rai Bahadur Lala Jagdish Prasad.]

made in reducing the surcharge on income-tax and super-tax should have been more substantial. Or, at least persons with incomes of Rs. 1,000 to Rs. 2,000 should have been given complete relief in the matter of income-tax by sparing the small sum of Rs. 75 lakhs out of the Rs. 5 crores available to the Finance Member for giving reliefs. This amount could easily have been found if the civil aviation programme for which Rs. 93 lakhs have been provided had been charged to capital account.

Then, Sir, it has been more than once urged on the attention of Government that the Income-tax law should be so amended as to allow the assessee to carry forward their business losses for a period of three years to be set off against the business profits of the basic year of assessment. But the Government have so far turned a deaf ear to this demand of the income-tax paying public. This is a very fair proposition and it is quite justified on the analogy of the practice prevailing in other countries.

Sir, I am surprised to find that my esteemed friend the Honourable Mr. Basu whom I do not find in his seat at this moment, has suggested the introduction of death duties in this country. I only hope, Sir, that my learned friend was not quite serious in putting forward this suggestion. At any rate, my friend can take it from me that his suggestion will not find much support in the country, but will on the other hand meet with vehement opposition, as India is not England and anything and everything that exists there cannot suit conditions here. I hope that the Government will not give my friend's suggestion their serious consideration.

As regards postal rates, Sir, there is a country-wide demand for their reduction, but I suggest that at least the half tola unit of weight for one anna letters should be increased to one tola as soon as possible.

Coming to the question of gold exports, we find that Sir James Grigg has been at pains in paragraph 23 of his speech to defend the policy of Government in allowing over Rs. 100 crores worth of gold to leave the shores of India. The gold exports might have succeeded in sustaining the artificial exchange ratio of the Government of India as claimed by the Finance Member, but no true student of Indian economics can view the position with equanimity. The Finance Member says that he sees no sufficient reason for placing gold exports in a different category from exports of any other commodity of which India has a surplus. But how is it, I ask, that other countries which have any surplus of gold, instead of exporting it, are making an altogether different use of it by conserving it for their own stability and for encouraging trade? If, therefore, such a large amount of gold has left the shores of India, I maintain that the flow of the precious metal has only made the country poorer and a national government would not have followed such a ruinous policy.

One word more, Sir, and I have done. It is a pity that in spite of the fact that the report of the Tariff Board on the Glass Industry was received by the Government as far back as 1932, the Government have not completed their examination of it and come to a decision as regards affording protection to the sheet glass industry in India, a fact to which a reference was made by my Honourable friend Mr. Sapru. It is well known that imports of window panes and plate glass in India from Japan has increased by more than 500 per cent. during the last four years and because of Japanese competition, two out of three glass factories have, I understand, been closed and the only one, at Bahjoi, which is in my constituency, remains and that one too is in a precarious condition. I hope that the Government of India will see their way early to extend adequate protection to the sheet glass industry in India in order to save it from extinction. Then, Sir, I would suggest the abolition of the import duty on raw films in the interests of our cinematographic industry.

Lastly, I join in the complaint which has been given expression to by several Honourable Members that this year the Government have thought it fit to allow only one day's interval between the presentation of the budget and its general discussion in this House, viz., that of yesterday. Surely, while the non-official Members of the Assembly have been allowed no less than four days to study the budget, it is too much to expect the Members of this House to be able to go through the bulky volumes of the budget in one single day and to do full justice to the subject during this shortest space of time. I hope the Government will be good enough to bear in mind our difficulty in this matter and will give us sufficient time for the study of the budget in future years.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, I appreciate the kindness and consideration of the Chair in sitting late hours to enable some of us to express our views, but at the same time, I assure you, Sir, that I shall not abuse this indulgence by holding forth long, as I would have done at an earlier stage. I shall not at any rate inflict a long speech on a thin House.

The Honourable the Finance Secretary in this place and the Honourable the Finance Member in the other place have given us an exceptionally lucid picture of the real financial position at the present time. But I cannot refrain from remarking that the budget is an over-cautious budget, principally because the Finance Member is presenting his budget for the first time. The budget has got the same features which are to be found in the usual budgets of the central Government and provincial Governments. It lacks a national financial policy, and there is also a lack of a scientifically considered system of taxation. In other words, every year, we have got a sort of exigency budget, without any considered system of national policy and national taxation. I hope that the Finance Member will rectify these defects and I am fortified in this hope by his statement in paragraph 39 of his speech. Discontent is a sign of progress. He clearly states that he is not satisfied with the budget. He does not therefore expect other people to be satisfied with the budget. The closing remarks of the Honourable the Finance Member clearly indicate that he would, on a further study of the financial conditions of India, really introduce a more scientific system of financial policy and taxation. With these remarks, Sir, I will refer to a few outstanding features of this budget.

I endorse the view expressed by several Honourable Members as to the indications that we have definitely turned the corner. The Finance Member has not been able to take his courage in both hands and go forward with a bold policy of reducing taxation. He would have done well to see how far he could have gone in the matter of reducing at least emergency taxation. I am afraid he was handicapped in this respect by the previous pledges in the matter of priority of relief laid down by the former Finance Member, and was obliged to give preference to the restoration of the pay cut. But in fact, as the removal of the surcharge would have benefited a larger number of people, we had naturally expected the remission of the surcharge altogether, or at least a considerable portion of it. I hope next year it will be possible to remove surcharges on income-tax and also to raise the lowest level of taxable income to Rs. 2,000. I do not grudge the restoration of the 5 per cent. cut to Government servants, but it would have been better to reduce or do away with emergency taxation before restoring the cut.

I welcome the proposal for the creation of a silver redemption fund. I take this opportunity of voicing the country-wide protest against the free flight of gold from India. I cannot subscribe to the view of the Finance

[Mr. P. C. D. Chari.]

Member that the flight is not of distress gold but of the surplus gold. I wonder why he has not followed the policy adopted in Great Britain and other countries in trying to strengthen the gold reserve position in India, rather than allow the gold to leave the country.

It is a matter for gratification that the Government of India has after all realised its responsibility to the masses and allotted one crore for distribution to the provinces for rural uplift work. I do not think that will go very far but all the same it indicates an honest desire on the part of the Government and I am glad the masses have now come into the picture of the central budget. I hope that in future years, in view of the improved times, it will be possible for the Finance Member to make it a recurring grant and to increase them. In this connection I would suggest that the sum of Rs. 75 lakhs proposed to be set apart as an additional fund for debt redemption, as our unproductive debt is not very large, can very well be allotted along with this one crore for the purpose of rural uplift.

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

Of course this proposal to distribute Rs. 1 crore for alleviating the conditions of the agriculturists coming at this psychological moment when other national agencies have started the same work gives room for doubt as to whether it is only a political move. But whether it is or not a political move it is a move in the right direction. I for one would not question the motives of the Government and would give them credit for sincerity of purpose in trying to alleviate the conditions of the masses. At the same time I would urge on the Government not to look upon the national agency under the leadership of Mahatma Gandhi with suspicion or distrust. What I urge is that Government should co-operate with other non-official agencies engaged on this work and they should welcome the movement started under the auspices of the Congress in this behalf. They should judge these organisations as they would themselves be judged. If there is co-operation between official and non-official agencies in this work a great deal can be done even though the amount set apart is small indeed.

We are glad to hear that His Excellency the Commander-in-Chief will not relax his search for further economies in military expenditure. Our military expenditure is unduly high and beyond India's means or military requirements. The army is maintained not purely in the interests of India but primarily in the interests of the Empire. This huge army of occupation, the Indian watch-dog of the Empire, is maintained at the cost of India and is a grievous injustice to India. It is a great pity that in such a poor country as India 60,000 British troops are maintained at a cost of Rs. 850 per head when they can without any loss of efficiency be substantially replaced by Indian troops at a cost of Rs. 285 per head. No more proof is needed that the military expenditure and the British personnel are maintained at India's cost in the interests of Great Britain. The mere assertion by His Excellency that the British element supplies the backbone of the Indian Army cannot carry conviction. This post-war mentality of the Britisher is probably due to a lapse in memory, and as the years roll on he forgets that the bones of British Indian soldiers have bleached the fields of France and Flanders in saving the Empire at a critical juncture. I would remind His Excellency, who is not in his place now, that the Indian soldier has got his own backbone, both physical and moral and does not need to depend upon the backbone supplied by the British.

element in the army. I would ask His Excellency the Commander-in-Chief to be at least fair to the Indian war dog and not to give the Indian soldier a bad name.

Sir, I would also offer a few remarks on points which immediately concern us in the province of Burma. I heartily welcome the proposal to abolish the duty on skins. It will be a great advantage to people in Burma, which has no real leather industry. I would endorse the view put forward by my Honourable friend Mr. Glass that the proceeds of the rice export duty, or at any rate a fair proportion of it, should be allotted to Burma, more especially as during recent years it has been a deficit province, and during the current year it has a budget deficit of Rs. 93 lakhs. Now it is my duty to urge upon the Government to see that the Indian interests in Burma, in view of the separation, are not allowed to deteriorate after separation. Now is the time when they are doing preliminary work for entering into a trade agreement and I hope and trust that the whip hand which India has in the matter of trade with Burma is not given up in the matter of entering into a trade agreement. We asked for statutory safeguards for the interests of Indians in Burma and if we cannot get statutory safeguards we at least expect the natural safeguards that we have in the shape of our bargaining power in the matter of trade should not be given up. In other words we ought not to be tied down beforehand; when we find our interests are being injured in Burma we should not feel ourselves in a powerless position. I do not want to injure the interests of Indo-Burma trade. What I want is the promotion of goodwill and the promotion of goodwill can best be done by retaining the advantage which we have so that the Burma Government, the Burma Legislature and the Burmese people may always bear in mind this fact, that if they do harm to the interests of Indians in Burma to any the slightest extent, India will be in a position to retaliate very effectively and do her harm; so also in the matter of the emigration convention which is proposed to be adopted. I hope the Government of India will fight the Indian cause strenuously and see that their position after separation does not deteriorate. I do not want to take up any more time of the House, but I would conclude by remarking that the view which I have repeatedly put forward in this Council as regards the protection of the interests of Indians in Burma may be steadily kept in view when the preliminary negotiations are going on before effecting separation from Burma.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR. (Madras : Muhammadan) : Sir, I would join my Honourable friends in tendering congratulations to the Honourable Finance Secretary and the Honourable the Finance Member on the good fortune which has fallen to their lot in preparing the budget proposals for the coming financial year. Sir, whatever may be the defects in the present budget, I feel there is no cause for despair, inasmuch as the Honourable the Finance Member himself appears to be perfectly alive to the imperfections in the present financial policy of the Government of India. There is therefore every hope that the Finance Department will not relax their efforts in trying to improve the situation and formulate a more courageous and better policy in the interests of the country. It is a fact, Sir, that the rigidity with which the Honourable Sir James Grigg and his distinguished predecessor Sir George Schuster pursued the policy of sound finance has after all borne fruit. India's credit stands high. The Government of India is in a position to issue loans at 3 per cent., which is the first loan to be issued at this small interest since 1896. The Government of India are in a position either to repay all their liabilities next year or to convert a substantial portion of them into long term liabilities with smaller rates of interest. This is indeed a remarkable achievement, but this result has been

[Saiyed Mohamed Padshah Sahib Bahadur.]

achieved not only by the policy that was pursued by the Finance Department of the Government of India, but also by enormous sacrifice on the part of the people in the country. We know, Sir, how, during the years of depression, heavy taxation was levied all round. Heavy duties, increased income-tax and subjecting to tax even small incomes which so far had been exempt from tax, all these had to be resorted to, and the people in this country more or less cheerfully submitted to this. They bore this burden in the hope that when the financial position would be easier, the Government would try and remove the heavy burden of taxation which was weighing so heavily upon them. But, what is the position, Sir? We find the Government proposes to reduce the surcharge and the tax on small incomes only by one-third. Sir, this is utterly inadequate. The demand that the country has been making all along has been for the total removal of these things. Even if the Government could not see their way to remove altogether the surcharge, it should have been quite possible for them with a little earnestness on their part to have found ways and means to remove the tax on incomes ranging from Rs. 1,000 to Rs. 2,000. Sir, relief in this direction, I plead, is much more urgently needed and would have been more welcome than gifts to broadcasting. Sir, when I talk of broadcasting, I fail to see the advantage that it will give to the people in the villages who are not given proper facilities to make use of the postal service. We find, Sir, even in spite of the fact that the financial position has improved, there has been no reduction in the postal rates. It has got to be admitted that the Postal Department is not one which could be considered to be purely commercial. Indeed, it is that branch of public service which goes a long way in educating and civilising the people in the country. Last year, Sir, I admit that there was some reduction in the postal rate, but I am afraid that the reduction that was effected has produced quite the opposite effect. The charge for letters was reduced by one-fifth and the weight was reduced by four-fifths of its original figure. I am afraid that this reduction in the rate for letters has not had any salutary effect. On the other hand, I feel that the public should have paid much more by way of excess stamp fee than they would have done if the original price of the letter had been maintained. I feel, Sir, that it is necessary that we should at once proceed to reduce the price of the postcard at least. This, Sir, in my opinion is not only a matter of necessity from the point of view of the convenience of the people, but also, in my opinion, a thorough business proposition.

Well, Sir, there is one more point on which I do not think that I am satisfied with the budget. As has been pointed out by my Honourable friends from Madras, the Government have not yet been able to see their way to take measures to stop the import of rice from foreign countries into Madras. I do not think I need say much about this. All I need say is that now that Government have realised that there is some particular class of rice that is adversely affected by these foreign imports, I hope, Sir, they will try to take prompt measures to check the large volume of import that come into our country from Siam and Indo-China.

Sir, as regards the defence expenditure, much has been said about it by most of the Honourable Members who have taken part in the debate. I feel, Sir, that I am in a difficult position when I try to form any opinion either way. On the one hand, I feel that the defence expenditure has been drastically cut down and that the present figure at which it stands is much lower than the figure at which it was set down by the Inchcape Committee. It is about Rs. 5 to Rs. 6 crores less than the amount that the Inchcape Committee considered was the proper amount to be spent upon the defence of the country. And

we have also the opinion of His Excellency the Commander-in-Chief who has made no secret of the facts bearing upon the question and who has given us every proof of his earnestness in trying to effect retrenchment,—we have his opinion to the effect that expenses have been cut down to the rock-bottom figure and it is not possible to effect any further reductions. On the other hand, Sir, there is this insistent demand on the part of the non-official Members that the military expenditure is of such dimensions that it takes away a very large slice of the revenues of the country. And they are of opinion that even now, with all the retrenchment that has been effected in the Military Department, even now it is possible for further reductions to be made. So, Sir, I gather from the remarks that have been made on this question that there is no chance of these two schools of thought trying to reconcile their views. I feel, Sir, that the only way to bring about this reconciliation and see that misunderstandings are removed would be by carrying into effect the suggestion that was made by my friend, Raja Ghazanfar Ali Khan. I feel, Sir, that this Committee might lead to a better understanding of the matters at issue.

Now, Sir, on the whole I feel that the proposal to give Rs. 100 lakhs to the provinces for rural uplift is a very welcome one as it gives us an assurance that the Government are not oblivious of their duty in respect of ameliorating the conditions of the masses in the country. This is a step and a very substantial step in the right direction, and I feel that, if only the provincial Governments make judicious use of the funds and if only they do not allow large sums of money to be spent on establishments which might have to be set up for the purpose of rural development,—and in this connection we have the assurance of the Honourable the Finance Secretary that the Government of India will take care that the money is not wasted in this way,—if this is done I feel that much will be done which will go to materially improve the condition of the people in the villages. As I said, Sir, on the whole this is a very good budget and this is the budget which for the first time since the depression began has broken through the gloom which has hung over the finances of the Government of India all these years.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, before I proceed to discuss the budget speech of the Finance Member, I can not, but bring it to your notice as to how niggardly and shabily this House has been treated in the matter of allotting the 2nd of March for the general discussion of the budget in this House.

THE HONOURABLE THE PRESIDENT : You need not stress that point any further. It has been stressed quite enough.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Sir, we will go on until the Government hears.

It is humanly impossible, Sir, for any man to finish all those volumes in 24 hours from the time those huge bundles of budget papers were supplied to us. I request you, Sir, being the custodian of the dignity of this House, to censure the Government in this matter from the Chair. To supply those huge bundles of papers on the evening of the 28th and to ask us to discuss the whole budget on the 2nd morning is preposterous and farcical. If it is the view of the Government that this House is unnecessary why do they maintain it at all against the wishes of the country at such a heavy cost? Now, Sir, in coming to the budget proper, I can not join in the volume of praise that has been showered on the Honourable the Finance Member. The budget has not given any relief to the poor taxpayers who are either agriculturists or day labourers. It has neither shown any reduction in the indirect taxations nor

[Mr. Jagadish Chandra Banerjee.]

in the direct taxations which have been saddled on the masses of India in the name of emergency and in the name of stability and sound finance. The price of postcards which are the only means of communication for the poor have been raised from one pice to three pice during the last few years. The necessities of life like salt, sugar and kerosene have been taxed with no intention of reducing those taxes. It is the present Government's policy that once a tax is imposed in the name of emergency, it becomes a permanent feature of the revenue policy of the Government of India. Sir, in the current year's revised estimate, we were told that there was a surplus of about Rs. 3½ crores, but it is a great surprise to me that nearly the whole of that surplus has been utilised on the restoration of the salary cut of those who are occupying the Treasury benches. I admit that the salary cut was an emergency measure but may I ask the Honourable the Finance Member whether that was the only emergency measure taken to balance the budget? A few years back in the name of emergency a kerosene duty was also imposed but did the Government ever abolish that duty when there was a surplus? Why then was there so much hurry in the restoration of the salary cuts? The only clue for such hot haste in this matter that I can find, is that this emergency measure touched the pockets of the British public masters though by courtesy they call themselves public servants. It shows that the fruits achieved by the cautiousness and vigilance on the part of the ex-Finance Member Sir George Schuster is being squandered by the present Member in charge of Finance. From the surplus achieved in 1934-35 we find Rs. 93 lakhs being spent on civil aviation. There seem to me two reasons for this expenditure. The first is the financial help to the British manufacturers of aeroplanes and to the British Airways Company and the second is the development of aviation for use in times of emergency for military purposes. This expenditure should better have been transferred to army estimates, and this sum of Rs. 93 lakhs could have been utilised for reduction of taxes of the poor. Then, Sir, I for one do not agree with the Honourable the Finance Member that the sum of Rs. 34 lakhs which is going to be spent on the Pusa Institute transfer should be met from this surplus and not from capital. It is altogether a new item of expenditure and more or less meant for the development of Delhi and as such this item of Rs. 34 lakhs should have been included in the head Delhi Capital Outlay and the sum released from revenue could have better been utilised for the reduction of those taxes which have touched the pockets of the poor. As regards the sum of one crore set apart for distribution to the provinces for rural development, I must say that it is nothing but a drop in the ocean. If, at all, the Government's deaf ears have been turned to rural development, I must frankly thank Mahatma Gandhi for diverting his energies to this object from political activities and it is clear as transparent water that, but for the activities of Mahatma Gandhi and several of his co-workers, Government would not have come forward with this grand idea of rural development. Even here, though they have decided to do something in this matter, yet they would do, as usual with the bureaucracy, in a halting manner and in a most miserly way. I would have welcomed the idea had all the surplus of Rs. 389 lakhs been earmarked for this particular purpose. I think I could have sincerely congratulated him for his wide outlook and imagination.

Then, Sir, I come to the question of the export duty on rice. I can not congratulate the Finance Member for not abolishing it altogether. It is his own admission that the export duty on rice is not yielding much revenue. What then is the justification of retaining this duty and handicapping exports of rice which has gone down in price so much in this country causing great

distress amongst the agriculturists producing this commodity. To crown all even in spite of the Resolutions passed in this House and the other, Government could not find their way even now to put an import duty on Siam and Indo-China rice, which would not only have stopped unfair competition in the Indian market but would have yielded a good revenue to Government. If the export duty on hides and skins could be lowered on the ground of reviving the export trade, as admitted by the Honourable the Finance Member in his speech, why on the same ground the export duty on rice could not be abolished altogether? Last but not least is the question of the export of gold. Sir, the arguments adduced by the present Finance Member is merely the reproduction, like His Master's Voice, in this House of what the London coterie of financiers are broadcasting through the microphone like the Secretary of State. I ask here, can the Government produce even one Indian financier or economist worth the name who has agreed with the argument of British financiers in this matter of the export of gold? As the export of gold is needed to tone up the sterling rate in the world market, therefore India must sacrifice her distress gold.

Before I conclude if I am to congratulate the Honourable the Finance Member it is not for his good rendering of the accounts but it is for admitting for the first time the just claim of my province of Bengal for the return of the jute duty. Sir, I congratulate the Honourable the Finance Member even for this small mercy to my province though I for myself do not yet admit that full justice has been done to my province. I will only be satisfied when my province will get back the full amount of the duty on jute which she is legitimately entitled to.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians) : Sir, at this late hour, I do not mean to take up much of the time of the Council. It is a pleasing feature of the speech of the Honourable the Finance Member that he frankly admits that he is not pleased with it. So far as it goes, the speech is a very satisfactory one. There are one or two things to which I wish to draw attention. The first is that these subventions and payments to provinces would, I think, create a lot of disharmony in course of time. The provinces are going to be autonomous, and if the central Government is going to give certain amounts to certain provinces, I fear that there will be a real struggle for getting doles from the central Government, and when certain provinces do not get the doles, there will be heartburning and there will be a good deal of jealousy created. Bengal no doubt claims a portion of the jute tax. Quite recently, one of the Honourable Members wanted a portion of the income-tax revenue for Bombay. My Honourable friend from Burma wanted a portion of the rice duty for Burma. If we are going to do this kind of thing, where are we to stop? I think Madras can legitimately claim the whole or a good portion of the salt revenue, because Madras produces very large quantities of salt, and if the central Government gets at least three-fourths of its salt revenue from Madras, would I be justified in asking for a few crores for Madras? Sir, this I mention as a warning to the Finance Member. In a year, when the provinces become autonomous, there will be a regular tussle to get doles from him, and I do not know how he will be able to satisfy the various provinces. Therefore, the best way of meeting this is for each province to be asked to cut its coat according to the cloth available. I may say, not by reducing the pay of the existing services, but by dispensing with offices which are not necessary. I venture to submit that there are a number of posts which could be abolished and their work could be asked to be undertaken by other officers. Speaking for Madras, I can say there was

[Sir David Devadoss.]

a time when the district collector or the district magistrate or the head of the district was in charge of almost every department of Government. He was then the Registrar of Assurances; he had the police in his hand; the forest department, district boards, taluk boards and all that. There are now non-official presidents of the district and taluk boards and municipalities. A good deal of work has been taken away from such officers. They could be asked to do a lot of other work. When their work is considerably reduced, a good many of the offices could be abolished. No doubt, there is a good deal of scriptory work going on. I can say with some confidence that most officers are confined to their desks. It was not so years ago. But all this could be remedied. The administration could be carried on as now, but relief could be given to these officers from their scriptory work. Therefore, I submit that the provinces should not be made to look for doles from the central Government. If this goes on, I am afraid the central Government will find itself in hot waters.

With regard to the grant of Rs. 1 crore for rural uplift, it is a very welcome feature of the budget. It has been clearly stated by the Honourable Finance Secretary that a large portion of this amount will not be spent in servicing it. I would suggest that before the various Governments embark upon rural uplift work they should study conditions in the various provinces in the rural areas. I would ask them to study, for instance, what the Young Men's Christian Association is doing in Madras. Very good rural reconstruction work is going on at a place called Ramanathapuram in Coimbatore and also in South Travancore not far from Nagarcoil. Recently the Mysore Government have offered a very big slice of land and also promised a contribution I believe of about Rs. 4,000 a year to the Young Men's Christian Association for rural reconstruction work in Mysore, and they have promised buildings also to the extent of Rs. 15,000. I would ask local Governments to study the work going on there before they themselves embark upon any elaborate programme of work.

We are very grateful to the Finance Member for removing the duty on skins. Madras specially will feel grateful for this relief. The Madras merchants have been asking for this relief for a number of years because the trade was nearly killed by the duty on the export of skins and hides.

We Madras people naturally expected some statement from the Honourable Finance Member as regards the import of rice into Madras. I hope the Government will do something in this matter.

There is one other matter which I would like to mention. The Honourable Mr. Basu said that the Government might well think of imposing some kind of death duty. Sir, that is a duty which weighs very heavily in England. We hear of ancient families selling their country houses and works of art in order to meet this duty. I hope the Government will never think of imposing such a duty. We do now pay in a way death duties, for instance, letters of administration and probate duty, which is about 3 per cent. on amounts over Rs. 10,000. I think that is quite sufficient. We do not want to embark upon death duties in India. But I would suggest an excise duty on tobacco. Tobacco is very largely grown in Madras and other provinces and an excise duty on tobacco would certainly bring in an income and would not weigh heavily on the poorer classes. Instead of finding ways and means of meeting the expenditure of the country we should not embark upon fresh legislation which will press heavily upon the poor classes. It has been said, and I am not going to repeat the arguments, that the poorer classes are very heavily

taxed already. Land is taxed very heavily in Madras and we should not add to the burden of the already overlaid camel. It is the last straw that breaks the camel's back. Other new avenues can be explored and the Government would be well advised to try and cut down expenditure as much as possible in all the services instead of trying to raise revenue to meet the cost of the services. With these few remarks I would suggest the Government should take some immediate steps to stop the import of rice into Madras.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA (Assam : Non-Muhammadian) : Sir, the striking features of the budget presented by the Honourable the Finance Member, Sir James Grigg, are that there is a surplus of Rs. 389 lakhs as a result of the working of 1933-34 and 1934-35 and there is another surplus of Rs. 150 lakhs as a result of the working for the next year. I take this opportunity of heartily congratulating the Finance Member in securing such a financial equilibrium in his very first budget. The Finance Member proposes to dispose of the recurring surplus of Rs. 150 lakhs by giving the following reliefs, viz., reduction of silver duty to two annas an ounce, abolition of export duty on raw skins and reduction of surcharge on income-tax and super-tax. The non-recurring surplus of Rs. 389 lakhs is to be utilised for economic development of rural areas and the development of the co-operative movement, development of roads, development of broadcasting, civil aviation and the transfer of the Pusa Institute and the reduction of debts. The additional import duty on salt is to continue for another year and the Finance Member does not propose to make any change in the arrangement for the distribution of the proceeds. The Government of my province of Assam have already put down in the next year's budget the last year's provision from this source in the expectation of their share of this customs duty. Like the proverbial drowning man she will naturally catch at a straw.

Sir, the next thing that concerns me is the grant of about Rs. 8.5 lakhs to Assam out of the proceeds of the export duty on jute. This will help this most necessitous province to a certain extent and we the people of Assam are thankful to the Government of India for this kind consideration.

Now, Sir, the grant of Rs. 100 lakhs out of the surplus to the provinces for economic development and improvement of rural areas will go a great way in ameliorating the condition of the people. Introduction of improved methods of agriculture is a great necessity in an agricultural province like Assam and I hope the Government will sympathetically consider her just claim when distributing this grant. The cottage industries ought to get a great impetus from such a grant. In Assam sericulture and hand-loom weaving deserve special mention. Nowhere in India except in Assam are the *muga* and *endi* worms reared for the famous beautiful silks to be had from them. Besides Assam is the only province in India where climatic conditions favour the rearing of three or four other species of silk worms. It is only in the fitness of things that the Government of India should investigate into the possibilities of establishing a central sericultural research institute in the province.

Sir, hand-loom weaving is a great cottage industry in Assam. Assam is unique in the matter of hand-loom weaving. Every householder in Assam, be he rich or poor, has got a hand-loom or two. This is certainly a favourable state of affairs for doing real rural welfare work which the Government of India has got at heart now. The Government will do great good by making liberal grants to the province for starting a fully equipped institute for training the youths of the province in the economic and technique of the industry on improved and modern lines. Liberal grants to this province for the establishment of cottage and other industries will give employment to the daily

[Srijut Heramba Prosad Rama.]

increasing unemployed and increase the happiness and contentment of the poor Assamese cultivators and bring about a general improvement in village life.

Next, Sir, the attempt at developing the co-operative movement on sound financial foundations is a move in the right direction. In Assam this great movement has not been able to make good headway for want of funds.

Next comes the question of road development. The Honourable the Finance Member proposes to make a contribution of Rs. 40 lakhs towards the Government of India Reserve in the Road Development Fund. In this connection, Sir, during the last Simla session I drew the attention of the Government to the deplorable condition of roads in Assam and was assured that the Government of India were "anxious to help Assam in the matter". As an earnest of their solicitude they were pleased to make some substantial grants to Assam thereafter and we are very thankful to the Government for the same. It is now gratifying to find that in distributing this sum of Rs. 40 lakhs, they will give "prime consideration to the province of Assam" which they have after all recognised as the most necessitous of all the provinces. Although this help was overdue, I submit, Sir, that we are thankful to the Government of India for having recognised our claim after all.

But, Sir, however useful such grants might be, they are earmarked for special projects. These grants will not go to the general pool to reduce our deficits and thereby alleviate the desperate financial difficulties of Assam. The financial condition of Assam is really desperate today. For five years in succession the province is having deficit budgets. The total indebtedness of the province at the end of 1935-36 to the central Government on account of loans and overdrafts will be about Rs. 2 crores and 12 lakhs and the total receipts have been estimated at Rs. 2 crores 28 lakhs and 86 thousand in the budget of 1935-36. Yet from such a slender income Assam is expected to wipe out her alarming deficits by annual repayments. The Comptroller of Assam has rightly described such a process as a device for the repayment of loans by fresh loans incurred.

"Had such a state of affairs occurred in ordinary commercial life", said the Honourable the Finance Member of Assam at the time of introduction of his budget this year, "the only straightforward course would have been to file immediately a petition in the bankruptcy courts".

Truly, Mr. Roffey, the leader of the European group in the Assam Council, advised the then Finance Member of Assam in the 1933 budget session that the latter

"should entitle his budget as an insolvency petition: in the matter of the province of Assam in liquidation, petitioning creditors, the Government of India",

and send a copy of it to Sir George Schuster. In short, Sir, Assam is sinking more and more into the morass of insolvency and without any immediate relief, she will be inextricably and irredeemably lost. The Comptroller in his Audit Report for 1935 points out:

"The deficit of Assam, which was 8 per cent. only in 1932-33 increased to 17 per cent. in 1933-34, whereas in the budget of 1934-35, the deficit is nearly 30 per cent. It seems very probable that it will soon fall behind Burma and Bengal which were the last in the race in 1932-33".

Sir, our financial difficulties were not our creation. Neither were they due to our career as a rake. The Government of Assam and the local Legislature have all along endeavoured to restore the financial equilibrium. They have followed a rigid programme of economy extending over several years and retrenched expenditure below the margin of safety. But in spite of all this, our province is almost irredeemably lost. The reasons are not far to seek. The province has all along been subjected to grossly unfair treatment. Under the Meston Award, Bihar and Orissa never paid an anna, Bengal only paid for a time but poor Assam had to pay Rs. 15 lakhs annually till the other day. Next we were forced to meet some quasi-agency expenditure, such as defence of the North-East Frontier, the maintenance of the Assam Rifles, administration of the Hill Districts and the like. On the other hand we have been losing all the benefits of our natural products—the mineral wealth of our province. Sir, if Bengal has rightfully got a moiety of her jute duty, should not Assam claim with greater reason the excise duty on petrol and oil? Jute is an annual produce. Harvesting of the annual crop does not impoverish the country on which it is raised. But the oil wells are not inexhaustible perennial sources. Continuous drawing upon them will exhaust the wells sooner or later. It is nature's gift of national wealth showered upon the people. And still the people should be deprived of its benefits is anything but fair. Assam is not poor in her natural resources. Given necessary finances, Assam can develop herself beautifully. Give us just enough for our development and we will not disappoint you.

Sir, I am happy to find that the Joint Parliamentary Committee Report has admitted our difficulties and claim to an adequate and permanent subvention. But we do not know when this will come. Assam cannot wait any longer. The Government of Assam, like that of Bengal, are also introducing measures for new taxations. In these hard times, new taxation is the last straw on the camel's back. But they have no other alternative.

Lastly, Sir, the prosperity of Assam depends greatly upon the prosperity of the tea industry. The depression in the trade is also responsible to a great extent for the financial difficulties of the province. We are thankful to the Government of India for implementing a scheme for regulation of exports and I only want to submit that any help to this industry will always be a help to the province of Assam.

With these words, Sir, I resume my seat.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I have been desired by the Honourable the Finance Member to express his regret to the House that, owing to causes beyond his control, it has not been possible for him to take a more active part in today's debate. He has, however, also asked me to say that he hopes to take a more active part when the time comes to introduce the Finance Bill in this House and that he will then come in person to answer the criticisms and remove the doubts of Honourable Members.

Before I touch on the budget itself, I should like to say a few words with regard to the date for which this debate has been fixed. All Honourable Members have taken this point and I may say, speaking for myself, that they have my very cordial sympathy. This is the first year in which I have attempted to grapple with the documents connected with the Government of India budget and I may say that they appear to me to be of great complexity and volume. The allowance of only one day to examine them seems to me rather

[Mr. P. C. Tallents.]

a short time. The difficulty on this occasion was as follows. The budget is always introduced on the last day of February,—that was the 28th, Thursday,—while the latest date on which it was thought possible to start the business of Demands for Grants in the Assembly was the 7th of March, which is the following Thursday. The 1st of March, which was a Friday—that is the day after the introduction of the budget—obviously could not be used for budget discussion in either House. The 3rd is a Sunday and the 4th, Monday, is a holiday. That only left three possible dates, the 2nd, Saturday, and the 5th and 6th, Tuesday and Wednesday. The ordinary practice is that two days are allotted for discussion in the Assembly and one in the Council of State and that the debate in the Council of State follows the debate in the Assembly. If therefore of these three days the first two had been allotted for the debate in the Assembly, that would have meant the 2nd, Saturday, and the 5th, Tuesday, in which case the 6th, Wednesday, would have been allotted for the debate in this House. It was however thought unsuitable that the two days allotted for the discussion in the Assembly should be separated by Sunday and Monday, two holidays; and therefore, contrary to the usual practice, the debate in this House was fixed before the two days in the Assembly and so it happened that the general discussion on the budget was fixed for Saturday, the 2nd. Now, some of the Honourable Members have claimed that in this matter they have been treated less generously than the Members of the other House. I have here the dates for the last 14 years on which these discussions have taken place. I will give you the dates for the last two years. In 1934 the budget actually was introduced on the 27th of February. The 28th was, I believe, a holiday. That year the 2nd and the 3rd March were the days fixed for discussion in the Assembly and the 5th March in the Council of State. In the previous year when the budget was introduced on the 28th, the 2nd and 3rd March were fixed for the discussion in the Assembly and the 4th of March in the Council of State. Therefore there is no substance in the statement that this House has been less generously treated than the other House. What has happened is that this year the debate has started in this House and the debate in the Assembly is taking place afterwards.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: As far as the Assembly is concerned, they have other occasions to discuss the budget, as the voting of Demands for Grants, while we have none; and so I hold that the argument put forward by the Honourable Finance Secretary does not hold water.

THE HONOURABLE MR. P. C. TALLENTS: I have merely explained the difficulty in fixing the dates this year. I quite appreciate the difficulties which have been felt by Honourable Members in this matter and I can assure them that when it comes to fixing dates next year full consideration will be given to the points which they have urged.

Well, Sir, many Members have been extremely generous in congratulating the Finance Department on the happy position in which they find themselves, and I can assure you that the present incumbents of the posts in this department are fully sensible that any credit that there may be for that must go to their predecessors. This is the first year that we have had a small surplus to deal with, without the assistance of extra taxation. Before, however, I go on to that point, I should like to say that it is very gratifying to find that the proposals of Government for dealing with the surplus of the current year have met, I think, with almost

universal approval,—particularly the crore of rupees for improving conditions in the villages. I think every Member who has spoken has approved of that proposal. Several of them have expressed alarm as to how that money is going to be spent—that it may be wasted on establishment and so on—but, as has already been stated in the budget speech, any scheme that comes up from the provinces will be examined and criticised in the Government of India. I can assure the Honourable Members that there is not the smallest intention of allowing this large sum of money to be frittered away in establishment charges.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What kind of examination will be made?

THE HONOURABLE MR. P. C. TALLENTS: The usual form of examination which these schemes have to be subjected to when they come to the Government of India: they will be examined in the Finance Department. Well, Sir, every Honourable Member who spoke mentioned that proposal with approval and I am very glad to find that this is so. Also, I think that they approve of the other proposals, that is to say, the allocation of Rs. 40 lakhs to the Road Fund, the expenditure on broadcasting and the expenditure on the North-West Frontier Province. As regards the last proposal, I should like to give one or two figures just to prove, on financial grounds alone, what a very sound piece of insurance that expenditure will be. In the last 70 years there have been 26 major campaigns on the Frontier. In the last 40 years no less than Rs. 67 crores have been spent in such operations. The heaviest expenditure took place from about 1920 to 1925, which was the period of the Third Afghan War and its repercussions. The expenditure then was necessarily higher than during the other years, but since 1925, when the circular road was constructed in Waziristan, the reduction in the expenditure has been very remarkable. Since then, the expenditure has only amounted to an average of Rs. 14 lakhs a year and that would have been very much lower but for two particular expeditions. The Government of India are satisfied that, if this road project can be carried to a successful conclusion—and I may say that there is no intention of carrying it out by force; the road will not be built unless the tribes are agreeable to its being built—that there could be no better insurance against a large expenditure of money in operations in that part of the world in future.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will that mean that all road construction will be debited to the Army Department?

THE HONOURABLE MR. P. C. TALLENTS: No, Sir. My recollection is that expenditure in the North-West Frontier on the tribal area is not debited to that head. The expenditure will not be confined entirely to roads, I may add, but will be principally.

Well, Sir, I think there is no further criticism that I need reply to with regard to the utilisation of the surplus for the current year. One Honourable Member did suggest that it might be used for reducing taxation but, as I pointed out in my speech, this surplus is a non-recurring surplus; it cannot be used for recurring purposes.

Coming now to next year, it is also gratifying to find, and I think there is not much doubt about it, a universal acceptance of the position that, when a small balance has emerged, that balance should be used not to incur further

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expenditure but to relax the existing burden of taxation and other impositions that have been made during the last few years of emergency. It has been suggested by more than one Honourable Member that, if the Finance Department had been rather braver, the surplus would have been larger and a more generous relaxation of these burdens could have taken place. Well, Sir, the budget figures of revenue are necessarily ultimately guesses. The Finance Department does its best; it consults all the experts who can give useful advice in these matters, and in regard to some of the principal figures it is no breach of confidence if I tell you that the Finance Department was more sanguine than some of its advisers. It would be possible to take higher figures and it would be equally possible to take considerably lower figures. It would be most undesirable, however, to take figures with the ulterior object of being able to provide for further expenditure. Figures have to be fixed on their merits and this is how they have been fixed on this occasion. For instance, take the import duty on sugar. It has been suggested to me that we should have put that figure higher. The Government of India consider that there is every reason to suppose that that source of revenue will be substantially reduced in the course of the next few years: they cannot say exactly at what rate it will be reduced but the figures we have put into the budget represent the reduction which, on the best advice we could take, we considered would occur next year. It would not have been right to fix a higher figure in order to have a further relaxation, let us say, of the income-tax.

Well, Sir, having fixed our revenue figures on that basis, there emerged a surplus of Rs. 150 lakhs, and the first use to which it was decided that that should be put was the relaxation or rather the non-re-imposition of the pay cut. Government have always held, and still hold, that that pay cut was a direct violation of the conditions on which officers enter Government service and that the step could only be taken in entirely exceptional circumstances, and should be restored as soon as possible. Sir George Schuster when introducing the emergency budget in September, 1931 said as regards the relaxation of this emergency measure (I will give his exact words):

"Relief must come first in restoring the emergency cuts in pay, and secondly, in taking off the surcharge on income-tax now to be imposed".

That was the definite statement of the policy of Government and he repeated it in so many words in introducing the budget for 1933-34. Therefore Government consider that this is the first relaxation that must take place. The total cost, as I explained in my budget speech, and as some of the Honourable Members have repeated today, is Rs. 92 lakhs net on the central budget,—excluding the railways, of course. But when we come to the surcharge on income-tax, which is the next relaxation which Government had to consider according to that formula, the total cost of removing the surcharge on the income-tax and the super-tax and the additional tax on small incomes would be Rs. 409 lakhs or net Rs. 401 lakhs, the difference being due to the fact that, if the tax was taken off the small incomes, it would be possible to get rid of some of the staff employed for the purpose of collecting it. As you know, the cost of relaxation to the extent of one-third is Rs. 136 lakhs, which is the line which Government eventually took. One-half would have cost Rs. 205 lakhs. If, as some Honourable Members have suggested, the whole of the tax on the small incomes had been relaxed, that would have meant a net cost to Government of Rs. 67 lakhs, Rs. 30 lakhs in respect of incomes from Rs. 1,000 to Rs. 1,500 and Rs. 37 lakhs in respect of incomes between Rs. 1,500 and Rs. 2,000. Either of these figures would have unbalanced the

budget. Therefore, on a purely mathematical calculation, Government, seeing how far they could go, decided that the proper course was to relax to the extent of one-third, and that is the proposal which finds its place in the budget.

THE HONOURABLE MR. E. MILLER: Will the remainder be removed next year?

THE HONOURABLE MR. P. C. TALLENTS: I am not in a position to say. We are not discussing the proposals for the following year.

THE HONOURABLE MR. E. MILLER: Will its abolition be considered?

THE HONOURABLE MR. P. C. TALLENTS: It will certainly be considered.

Several of the Honourable Members have mentioned their desire that there should be relaxation in the case of postcards. I wonder if Honourable Members realise what that would cost. The cost of introducing the half-anna postcard once more would mean Rs. 68 lakhs, with another Rs. 16 lakhs incidentally involved in connection with the inland packet post; that is to say, altogether Rs. 84 lakhs. That is a very large sum of money for what may appear a very simple change.

THE HONOURABLE MR. SHANTIDAS ASKURAN: If you reduce the postage, do you not think there will be more correspondence?

THE HONOURABLE MR. P. C. TALLENTS: That is undoubtedly so and that is a consideration that must always be taken into account. It has been discounted in these figures. At the same time, to reduce the inland letter rate from one and a quarter annas to one anna will cost about Rs. 45 lakhs a year. These proposals, which sound very simple,—when you come to calculate the cost—are very formidable, and to introduce either of these changes, which Government, I need hardly say, would like to do if they could, will completely upset the balance of the budget.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: What was the state of affairs in the pre-war days about the postage?

THE HONOURABLE MR. P. C. TALLENTS: Sir, I am afraid I cannot answer that question off-hand. After all, it is the next year's position we are discussing, and not what it was 20 years ago.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What about the future scales of salaries of the superior and covenanted services?

THE HONOURABLE MR. P. C. TALLENTS: I ask that I may be left, Sir, if I may, to confine my speech on my own lines.

THE HONOURABLE THE PRESIDENT: You please proceed with your speech.

THE HONOURABLE MR. P. C. TALLENTS: The non-reimposition of the cut in pay and the remission of the surcharge on income-tax and super-tax and the taxes on small incomes to the extent of one-third, account for the greater part of the surplus which will emerge next year.

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I was also gratified and interested to hear that all Honourable Members in this House who mentioned the subject approve of the abolition of the export duty on skins. When the duty on hides was taken off last year, the duty on skins was retained on the ground that skins were a semi-monopoly of India. But since then, during the last year, a different situation has arisen which makes it very doubtful if India can any longer regard herself as having a semi-monopoly in this article. In 1933, 13,000 odd tons of raw skins, valued at Rs. 223½ lakhs were exported from April to November. During the same months this year, 8,938 tons valued at Rs. 118½ lakhs were exported; that is to say, the trade this year is about half of what it was last year. There is also a fall in the internal prices in skins. Actually, the figures show that there is some fear of the Indian exports of this article being replaced by skins from such places as West Africa. Therefore, it has been decided that this export duty should be removed, and, as I say, it is gratifying to Government to know that this proposal has the support, practically unanimous, of the whole of this House.

Not many of the Honourable Members referred to the duty on silver, but when this duty was imposed, there were two principal reasons for imposing it. One was the desire to raise revenue and the other was to maintain the internal price of silver in India. When the duty was first imposed in 1930-31, it produced over Rs. 232 lakhs. That figure fell gradually until in 1933-34 less than Rs. 1 lakh was realised from this duty. In 1934-35 a larger sum has been produced owing to the imports from China, but it seems unlikely that this import of silver from that source will be maintained. Anyhow, as an important revenue-producing source, this duty no longer exists. As regards the price of silver, when the duty was first put on, the internal price of silver was, I think, Rs. 39-8-0 per 100 tolas. The price is now Rs. 63 for 100 tolas. Therefore, that argument also no longer exists. As there is no doubt that a great deal of smuggling is going on and that honest trade is being penalised, Government have decided that this duty should be removed.

As regards gold, if Honourable Members desire a lengthy discussion on the subject, I would refer them to Sir George Schuster's remarks when he introduced the budget of 1933-34. This is not the time of the evening at which I should propose to enter into a long discussion. But I will give the figures, from the last report of the Controller of Currency. For 14 years, from 1920-21 to 1933-34, the net imports of gold exceeded exports by 21 million ounces valued at Rs. 83½ crores. That is only from 1920-21, and Honourable Members no doubt know that for many, many years before that, gold had been flowing into India. These figures seem to me to show quite clearly that this gold, which is now being exported, cannot be described as distress gold. If, however, it is admitted that it is distress gold—and Government do not admit that—then it follows that this export duty on gold would be paid by the distressed peasants who under pressure of distress are giving up their gold. I see no means of avoiding that dilemma.

Sir, I have in a sense been surprised that we have not heard more about the financial difficulties which the provinces are at present facing. I know it is a very sore subject, and the non-reimposition of the pay cut has caused great difficulties to some provinces like the Central Provinces. The Honourable Mr. Barua has referred to the case of Assam. The case of these provinces, and in particular Assam, has been causing very anxious thought to the Government of India for some time past and will continue to cause them

anxious thought for a long time to come. I do not know whether Honourable Members have studied clause 139 of the Government of India Bill. It runs as follows:

"Such sums as may be prescribed by His Majesty in Council shall be charged on the revenues of the federation in each year as grants in aid of the revenues of such provinces as His Majesty may determine to be in need of assistance and different sums may be prescribed for different provinces".

The question of subventions to deficit provinces is going to be one of the most difficult problems connected with federal finance, and if the Government of India have decided that nothing can be done at the moment, it is because of the reasons which were just now mentioned by the Honourable Sir David Devadoss. They consider the whole problem must be faced simultaneously and it is not fair on the other provinces that the case of one province should be considered in isolation. All must be considered together. But the fact that no further relief has been given to the deficit provinces this year than was the case last year does not mean that the problem has not been receiving the most careful consideration of the Government of India. It may be some small consolation to Bengal, Bihar and Orissa and Assam to notice that they are likely to get Rs. 10 lakhs more next year out of the half of the jute export duty. Also I hope that the Honourable Member from Assam noticed that I said in my speech that Assam would receive special consideration in connection with the allocation of Rs. 40 lakhs to road development. Assam is said to be in special need of road development and we hope it will receive some relief in that way.

Well, Sir, in the course of today's debate I made note of certain points which I should like to reply to before I sit down. First of all the Honourable Sir Phiroze Sethna suggested that in the budget we might give figures showing the average income per head and the standard of living of the population of this country. I wish we could get sufficiently accurate figures on that subject to publish, but I do not know of any Government budget in the world in which such figures are printed and I am afraid that is not within the range of practical politics.

The same Honourable Member asked whether Government intended to reduce the rate of interest on the 3½ per cent. irredeemable Government paper. I am not quite sure what the Honourable Member meant by his question. If he meant "Are Government going to indulge in compulsory repudiation?" the reply is of course in the negative. If it is a question of voluntary conversion, the Honourable Member must wait and see.

As regards the additional salt duty, Honourable Members will recollect that the proposal is that it should be left to the House to decide whether it should be imposed for one year more. The Bill will be brought before the Legislature and if the Legislature turns it down, the Honourable Finance Member has indicated that the verdict of the House will be accepted. Sir Phiroze Sethna, I understand, thought it was unfair that the case should be left in that position. But this duty was imposed on the recommendation of a Committee of the Assembly and if the Assembly now decide that it should no longer be imposed, I cannot see why Government should step in. I cannot see any unfairness in that particular proposal. It must rest with the Legislature to decide whether that duty will be imposed for another year or not.

Reading over the speech of Sir George Schuster which he delivered in this debate last year, I find that the Honourable Mr. Hossain Imam made the same allegation about the increased external expenditure that he has made on this occasion. Sir George Schuster offered on that occasion that, as he

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could not follow his figures, if the Honourable Member would come round and discuss the position with him he would endeavour to explain away what must be a misconception of facts. I do not know whether the Honourable Member ever went to see Sir George Schuster, but the Honourable Member and I both come from the same province and I repeat the invitation. If he will come and see me and show me his figures, I will do my best to explain away his difficulties.

The Honourable Mr. Basu expressed the opinion that the taxation policy of the Government of India should be overhauled. Well, the Honourable Finance Member has already indicated that this matter is receiving his consideration, and I am sure it will not cease to do so.

The Honourable Mr. Gladstone referred to the over-caution of the department in budgeting. That is a point I have already referred to. Obviously it would be quite wrong to frame one's budget of revenue with the ulterior object of increasing one's expenditure. The figures of revenue on which the expenditure figures are based must be calculated on their own merits.

The Honourable Lala Ram Saran Das asked why there had been no conversions this year. Well, that is not a fact. I will give him the figures. I will read again one passage of the speech I delivered in presenting the budget figures :

"This year we issued no sterling loans but we issued two rupee loans, one of 3½ per cent. loan 1947-50 and the second of 3 per cent. bonds 1941. Together these loans produced Rs. 35 crores and 80 lakhs. With the proceeds of these loans, Rs. 32 crores and 42 lakhs of permanent debt bearing higher rates of interest were replaced".

It is not correct to say that during the current year we had no conversion operations.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I said sufficient conversion was not done. I did not say it was not done at all.

THE HONOURABLE MR. P. C. TALLENTS : I mis-heard the Honourable Member.

Well, Sir, in the course of a discussion like that which has taken place today many points have been raised and it would be quite impossible for me to follow every Honourable Member and discuss every point, particularly at this late hour of the evening. Most, in fact I think all, of the considerations which have been urged in the course of the day were considered by Government when the budget was being prepared. After a series of years in which the whole attention of Government has been concentrated on reducing expenditure and adding to the revenue just so much as would enable the budget to be balanced, we are faced this year with a new problem. We have to set about the more congenial task of lightening the burden imposed during the last few years of difficulty. Congenial tasks are not always easy, but on the whole I think from what we have heard in this House today that the proposals of Government have the substantial support of Honourable Members. The surplus which we anticipate next year we think can safely be regarded as a recurring surplus. Honourable Members have agreed that it should be used, not for incurring fresh expenditure, but for removing the existing burden of taxation. The Honourable Sir James Grigg has said that he himself is not satisfied with the budget and he does not suppose that many other people will be either. In view of that statement I think that the support which the budget has received in this House may be described almost as surprising and certainly as satisfactory.

Although Honourable Members may have criticised this or that feature of the budget, in its general outline it is, I think, acceptable ; and not only in this House but outside also from what I have seen in the telegrams and newspapers, the budget has been well received. If today's discussion has assisted in clearing up doubtful points and bringing into relief the reasons and the justification for particular proposals, it has served its purpose ; and I think the more Honourable Members look into the budget and examine it at close quarters, the more they will find it reasonable, practical and satisfactory.

THE HONOURABLE THE PRESIDENT : This concludes the debate on the Budget, Part II.

The Council then adjourned till Eleven of the Clock on Thursday, the 7th March, 1935.

COUNCIL OF STATE.

Thursday, 7th March, 1935.

The Council met in the Council House at Eleven of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

COMPANY-MANAGED RAILWAYS WHICH THE GOVERNMENT OF INDIA HAVE AN OPTION OF PURCHASING.

63. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay on the table a statement giving the following information about the worked lines and other Company-owned Railways, Classes I and II, which the Government of India have an option to purchase:

- (a) Share capital?
- (b) Purchase terms, if any?
- (c) The earliest date when an option will arise?
- (d) The last date when an option arose and was not exercised?
- (e) The dividend paid during the last four years by these companies?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a), (b), (c) and (d). The information required by the Honourable Member will be found in the History of Indian Railways, a copy of which is in the Library.

(e) Government have no precise information on this point, and as the number of companies for which the Honourable Member requires information is large, it will involve a considerable amount of labour to collect it and Government do not consider that it will be justified by results.

BATHROOMS IN DUFTRIES' QUARTERS, MINTO ROAD.

64. THE HONOURABLE MR. P. N. SAPRU: (a) Is it a fact that proper bathrooms have been provided in the duftries' quarters near Raja Bazar in New Delhi?

(b) Is it a fact that in the new quarters recently constructed on the Minto Road area of New Delhi for the duftries of the Government of India Offices there is no bathroom but only a cemented floor without an enclosure?

(c) If the answer to (b) is in the affirmative have Government considered the desirability of providing suitable bathrooms in those quarters?

(d) Is it also a fact that in quarters for duftries on the Minto Road no door has been provided for the kitchen, that there are no shelves in the kitchen and that there is no window in the sleeping rooms to admit of any air inside the rooms and that the small opening in the roof (6" x 6") is quite insufficient?

(e) If the reply to (d) is in the affirmative, do Government propose to remove these defects?

(f) Have Government issued orders that the defects mentioned above should not be reproduced in the quarters which may have to be constructed in future?

THE HONOURABLE MR. D. G. MITCHELL: (a) and (b). Yes.

(c) Yes, but the arrangement made is regarded as adequate.

(d) and (e). There is no separate kitchen, part of the verandah having been enclosed to serve as a kitchen. Doors and shelves are not essential in the circumstances. Ventilators are provided in the bed rooms, there being no room for windows.

(f) No.

THE HONOURABLE MR. HOSSAIN IMAM: Did these duffries present any application to the department before these quarters were built?

THE HONOURABLE MR. D. G. MITCHELL: I must ask for notice of that question, Sir.

GRANT OF MONETARY ASSISTANCE TO MR. SUBASH CHANDRA BOSE.

65. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Is it a fact that Mr. Subash Chandra Bose who came to India from Europe to attend the *Sradh* ceremony of his father was allowed passage money by Government when he came by air?

(b) If so, was he given the passage money back from India to Europe? If not, why not?

THE HONOURABLE MR. M. G. HALLETT: (a) No.

(b) Does not arise.

MARTIAL AND NON-MARTIAL CLASSES.

66. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Will Government be pleased to state what castes and communities in India are classed as "martial" and "non-martial" respectively for the purposes of recruitment to the army in India?

THE HONOURABLE MR. M. G. HALLETT: None, Sir. This is a phrase coined largely by politicians. The classes enlisted in the army at present are shown in the Indian Army List at the heading of each unit, and they are those which in the opinion of the military authorities, produce the most efficient soldiers.

THE HONOURABLE MR. HOSSAIN IMAM: Who, according to the Honourable Member, are the politicians?

THE HONOURABLE MR. M. G. HALLETT: I regret I can add nothing to the Honourable Member's reply.

THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that only certain communities are eligible for admission to the army according to the list of eligible members who can be recruited?

THE HONOURABLE MR. M. G. HALLETT: Sir, I must ask for notice of that question, in the absence of His Excellency the Commander-in-Chief.

REPRESENTATION OF VAISHYAS IN THE INDIAN CIVIL SERVICE.

67. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Will Government be pleased to state:

(a) The total number of Vaishyas in the cadre of the Indian Civil Service?

(b) The number of such Vaishyas in the Indian Civil Service as are residents of the United Provinces? and

(c) The number of Vaishyas, if any, that have been successful in the last competitive examination held in London for the Indian Civil Service?

THE HONOURABLE MR. M. G. HALLETT: (a), (b) and (c). I regret that the information the Honourable Member desires is not readily available. As the labour involved in collecting it would hardly be commensurate with the value of the results obtained, I regret I am unable to undertake to collect it.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Can the Honourable Member undertake to supply information as regards (c) which is a small item?

THE HONOURABLE MR. M. G. HALLETT: I will try and get the information with regard to (c).

LOSS OF REVENUE IF THE HALF TOLA WEIGHT FOR LETTERS IS INCREASED TO A TOLA.

68. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Will Government be pleased to state what will be the loss of revenue, if any, if the half tola unit of weight for letters is increased to one tola?

THE HONOURABLE MR. D. G. MITCHELL: An accurate estimate of the loss involved by this or any other proposal to change the letter tariff is difficult to prepare because a separate account is not maintained either of the revenue from the postage on letters or of the number of the ordinary paid letters. A statistical count of the letter traffic is taken twice each year and the total traffic is estimated therefrom. Based on this, an estimate of the loss or gain can be prepared after making certain assumptions as to the effect of the change in the tariff on the total volume of the traffic and on its distribution between the different weight categories. Assuming that 70 per cent. of the total traffic will consist of letters not exceeding one tola in weight it is estimated that the loss will amount to Rs. 16 lakhs in one year.

INTRODUCTION OF NEW CONDITIONS OF SERVICE FOR ARMY HEADQUARTERS OFFICES.

69. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : With reference to my question No. 145 asked on the 27th August, 1934, will Government be pleased to state what action they have taken on the representation of the clerks concerned ?

THE HONOURABLE MR. M. G. HALLETT : It has been decided that those of the clerks referred to who are unwilling to accept permanent appointments on the new terms of service in the Army Headquarters Offices, will as opportunity offers, be absorbed in vacancies in civil offices.

GRANT OF OPTION TO REFUSE APPOINTMENTS IN ARMY HEADQUARTERS AND WAIT FOR APPOINTMENTS IN CIVIL OFFICES TO CIVILIAN CLERKS, ETC.

70. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD :
(a) Is it a fact that those candidates who came out successful in the Ministerial Service Competitive Examination held by the Public Service Commission in November, 1933 and who were offered appointments in Army Headquarters Offices have been allowed the option to refuse those appointments and wait for appointments in civil offices, notwithstanding the fact that they were warned in their appointment offers of the new conditions of service ?

(b) Do Government contemplate extending the same privilege to candidates who came out successful in the last examination held in December, 1934 ?

(c) If the answers to (a) and (b) be in the affirmative, do Government propose to extend a similar privilege to those civilian clerks who entered service in Army Headquarters Offices as a result of the competitive examination held in 1932 and who had not been warned of the new conditions of service at the time of their appointments ? If not, why not ?

THE HONOURABLE MR. M. G. HALLETT : (a) and (b). Yes.

(c) As the men are already in service the question of allowing them to wait for appointments in civil offices does not arise. It has, however, been decided that those who are unwilling to accept permanent appointments in the Army and Royal Air Force Headquarters Offices on the new terms should, as opportunity offers, be absorbed in vacancies in civil offices.

STATEMENT LAID ON THE TABLE.

EXCISE DUTY ON SUGAR.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary) : Sir, I lay on the table information promised in reply to part (b) of question No. 35 asked by the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra on the 16th February, 1935.

(b) The amount of excise duty realised up to 31st January, 1935 from the co-operative sugar factories working on the vacuum-pan systems is Rs. 5,279-15-9 and from those working on the open-pan systems Rs. 766-6-2.

RESOLUTION *RE* CONTINUED PROTECTION TO WHEAT GROWERS IN INDIA.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces: Nominated Non-Official) : Sir, I move :

"That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by—

(a) extending the period of import duty on foreign wheat,

(b) reducing the railway freight on wheat when it is sent from the United Provinces and the Punjab to the port towns of Karachi, Bombay or Calcutta."

This Resolution, Sir, is divided into two portions and, as the Honourable Members are aware, as far as the first part is concerned, it is already in operation. The only thing that I want is that when the period is going to expire this protection may continue to be given. It was several years ago that all the Members from the Punjab and the United Provinces and probably a few other Members along with them waited in a deputation on Sir George Rainy, the then Commerce Member. And they pressed this point that unless protection was given to the wheat growers India is sure to get into such a calamitous position in regard to financial matters that it will not be possible to have any commerce in India at all, because the purchasing power of the people will go down and down until it becomes unbearable. Wheat is a commodity in relation to which all prices in India are in reality determined. If the wheat grower can sell his wheat at the standard price of Rs. 3 per maund, then all commodity prices rise. If wheat sells below 13 seers to the rupee, then it is beneficial neither to the wheat grower nor other commodity growers. Commerce has been going down and down simply because people have no power of purchasing left in them on account of the price of wheat having gone down to a very great extent. After the deputation convinced Sir George Rainy, he introduced a Bill and gave this protection, which is still going on, and will continue up to the 31st March this year. I need not dilate on the arguments at present. They have been repeated year after year in the other House and I believe all Honourable Members have gone through them. Those arguments have led the Government in the past to support this measure. We are standing on the same ground today also. We do not see any fluctuation in the market. The time has not come when this protection can be taken away. I will only say this to those of my Honourable friends who have the interests of the rice growers at heart that they must realise that unless the price of wheat goes high, the price of rice can never go high. The United Provinces and the Punjab, which are great purchasers of rice, can never afford to purchase rice at a higher price when their own commodity, which is their staple food, is selling at so low a price as Rs. 1-6-0 per maund. When wheat was selling in the United Provinces and the Punjab at five seers to a rupee, and for a short time at four seers to a rupee, people were rich. Although it was the staple food and was so costly, yet people had so much money in their pockets that they could purchase anything and everything. For the last two or three years, wheat has been selling at Rs. 1-6-0 per maund and sometimes even below that. That is the price at which villagers carted their wheat to Lyallpur and sold it there. So, they must actually have sold it at Rs. 1-2-0 per maund, if we take four annas as the cost of cartage from the village to the market. In one *bigha* of land, Sir,—I will take the *bigha* and not the acre,—in a *kucha bigha*, at the highest and in the best soil, we cannot produce more than four maunds to a *bigha*.

THE HONOURABLE MR. HOSSAIN IMAM : Which *bigha*—standard or Bengali.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I am taking the *kucha bigha* which is one-third of the standard *bigha*. In a *kucha bigha*, the highest we can get is about three maunds to a *bigha*, and if three maunds are sold for Rs. 4-2-0 (at the rate of Rs. 1-6-0 per maund), this means that the cultivator gets for all his labour, the capital which he has invested, canal dues which he has paid and the rent which he has to pay to the landlord only Rs. 4-2-0 per *bigha*.

THE HONOURABLE MR. HOSSAIN IMAM : On a point of information, Sir. Will the Honourable Member say what is the proportion of a *bigha* to an acre ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : One acre is equal to one *bigha* and 12 *biswas pucca*, i.e., 32 *biswas* make one acre, and one *bigha pucca* makes 3 *bighas kucha*. If it is sold for Rs. 4-2-0, the rent which he has to pay to the landlord is about Rs. 3 per *bigha*; he has to pay Re. 1 towards canal dues. For the seed which he has put in there by getting it through the money-lender, he has always to pay one and a half times what he has purchased. Thus, supposing we take five seers as the seed which he has to put in one *bigha*, then he has to pay back seven and a half seers to the money-lender. Its cost also has to be met from the produce. Then there are the bullocks which he has to keep for the cultivation. He must keep at least a pair of bullocks for which he has to pay and he has to feed them also. His whole family has to labour in the field for 10 months because wheat growers know fully well that in the fields where wheat is grown, no other crops can be raised in the same year. It means that the whole family, which is working for one year as labourers in the field, get nothing. The result of this has been that in the Punjab and the United Provinces, there have been remissions of rent, and yet the cultivator cannot see his way to make both ends meet. The poor labourer is so hard hit that there is a tendency to leave the villages. If the sugar factories did not come to their rescue, probably we would have found a lot of people leaving the villages and migrating to the towns asking for some kind of work. They cannot live in the villages nowadays. The poor people are starving, because the value of their produce has gone down so much. They have kept up for such a long time only because of this import duty at Rs. 2 per cwt. It is very small. We have pressed year after year that this duty is too small and that it should be raised, so as to give enough protection to the cultivator that the price at least comes up to Rs. 3 per maund. At that price, the cultivator can just manage to live. It will not give him any benefit; it will give him only the remuneration for his labour in the land for one year. Unless wheat sells at 13 seers to the rupee, it will be a losing concern to the cultivator and his migrating to the towns will be a great menace and the economic stability is bound to be disturbed in the near future. Government was very wise in the past to give this protection, and I hope that they will come forward now to give the same protection to day again until prices go up and until the competition from Australia has ceased. In 1930—I think the Honourable Mr. Stewart will bear out my figures—all the wheat growing countries produced a very large surplus of wheat. Australia probably produced double its usual amount, and Canada, the Argentine, Russia and India all produced about two million tons each more than normal, with the result that the large surplus stock of that year continued to affect the markets in

this country, because the foreign wheat, as it became old, was dumped in this country at very low rates, and naturally people preferred to buy this cheaper wheat rather than the costlier Indian wheat. There are also mills at Calcutta, Bombay and Karachi which import wheat for the purpose of grinding it into flour for re-export to Egypt and other places, and they buy this imported wheat because it is cheaper than Indian wheat, and the second part of my Resolution is for their benefit. We have therefore two conflicting interests, that of the wheat growers and that of the dealers and consumers, and it is necessary to meet both.

At Hapur, which is only about 30 miles from Delhi, wheat was sold at 23 seers for the rupee at the time of the harvest, as compared with 10 seers for the rupee five or six years ago. That hits the producers very hard in the western United Provinces and the whole of the Punjab. And the protection given must be so adjusted, in regard to the railway freights, that the merchants in Bombay, Karachi and Calcutta may be able to purchase northern India wheat at a cheaper rate than the wheat imported from Australia after it has paid the protective duty. The duty at present is Rs. 2 per cwt., but Australia can land its wheat at the ports at such a low rate that the Punjab and the United Provinces wheat cannot compete with it. The prices are determined by the prices prevailing in Bombay and Calcutta. My Honourable friend Mr. Stewart knows the Kaisergunje very well in Meerut, because he was there for several years. Well, I wanted to know why prices were so low and they said the *desawar* was like that, by which they mean that the Bombay and Calcutta markets are the determining factor in the price of wheat, and when prices there are low they are low everywhere. I want, Sir, in the interests of the merchants who buy foreign wheat to grind into flour and in the interests of the consumers in Bombay and Calcutta, that railway freights may be so adjusted that they can purchase Indian wheat in preference to foreign wheat. Our wheat exports have been considerably reduced. Where we used to export 300,000 tons annually, it has now come down to 60,000 tons only, and in some years it has been less than that because the prices are not favourable, foreign countries being able to sell cheaper. But however that may be, our produce is sufficient for our own needs and we do not require any imports or exports. The only way of helping the agricultural population, in regard to which my Honourable friends have always shown great concern, is to help them to dispose of their wheat at a reasonable rate and put something into their pockets to jingle, at present they have not even *cowries* to jingle. This can only be done by accepting both parts of my Resolution, which helps both interests which I have mentioned. In the past only one side has been considered, and if the other side is also now helped I feel that no one will be opposed to this. I need not go into all the arguments I have given in the past. I hope the House will unanimously accept this Resolution and that the Honourable the Chief Commissioner will also find it easy to accept my second suggestion. He may feel that it will diminish his revenue, but I can assure him it will have the opposite and will promote the flow of wheat which is at present locked up in corners of the country and is bringing no money to the coffers of the railways. I am sure the Government will have no difficulty in accepting the first part of my Resolution and I hope the second part will also be accepted. I commend my Resolution to the House.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : May I, Sir, intervene at this stage with reference to part (a) of the Resolution moved by the Honourable Mr. Yamin Khan to say that all the facts relevant to the wheat situation within India and outside are well known to the Government

[Mr. T. A. Stewart.]

of India, who hope to be in a position to arrive at a decision on this matter at an early date. In these circumstances, they feel that it would be inappropriate at this stage to offer any opinion for or against the proposals of the Honourable Mr. Yamin Khan. This refers to part (a) of the Resolution. The second part will be dealt with in due course by my Honourable colleague the Chief Commissioner of Railways.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal : Non-Muhammadan) : Sir, I congratulate the wheat growers of the Punjab in having new protagonists year after year. Last year it was the stalwarts of the Punjab; this year it is the new Government recruit,—my gallant friend from Meerut. Though I must tell the Honourable Mr. Yamin Khan straight off, that much as I admire his special pleading for the wheat growers of Northern India, I am bound to say that sitting here in the central Legislature I had expected a wider outlook from him. I charge Mr. Yamin Khan for having turned a blind eye to the Bengal consumers. Get as much protection as you like, put as much prohibitive import duty on foreign wheat as you like, but please see that we get wheat, either Punjab or Australian or from anywhere, at a cheap cost, at a cost which the poor Bengal consumer can afford to pay. On principle I am against any tariff duty on any foodstuffs, because, be they home grown or imported, they are necessities of life which should be within the reach of the poorest among us. But I also recognise the fact, that home grown foodstuffs are preferable to the consumer because incidentally the money spent on them remains in the country for the advantage of the children of the soil. But if that means any increase of the price to the consumer, I am afraid my patriotism will not go so far as to support a measure which will have that effect. The wheat growers have enjoyed the protection of this import duty for the last four or five years. But what have they achieved? Have they been able to bring down the prices to the same level as the Australian wheat *minus* the import duty at Calcutta? Believe me that I am in no way an antagonist of the prosperity of the Punjab or any other province of India—

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Is my Honourable friend in favour of giving no protection to any Indian industry, including the cloth mill industry?

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : I have said that I am not in favour of imposing any protective duty on foodstuffs. But you will pardon me, I am sure, when I feel it my duty to raise my voice against the prosperity of the other provinces at the cost of my own province, inspired as I am just now by the example of provincial patriotism of my Honourable friend Mr. Yamin Khan.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, is it refreshing when we find that people tell us principles without substantiating them? It is very easy to do that. My Honourable colleague from Meerut has just now said that wheat prices are a sort of barometer for the price of other agricultural foodstuffs and with the rise of wheat prices other food prices rise and with its fall, others fall. It was such a good principle that I wanted to verify the correctness of it by getting a book from the Library, and this is what I find in the report of the Provincial Economic Conference, 1934, held by the Government of India—the constituency

which the Honourable Member represents! This is the dictum of that constituency. Sir, on the basis of 1913 figures as 100, the index number of wheat price in 1931 was 83, while in 1933 it rose up to 109, a rise of 27 points. In the same period the price of rice went down from 79·5 to 52·5, a fall of 27 points. This is in refutation of the general theory which he enunciated just now!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : What was the price of rice in 1921 and 1922 when wheat was selling at five seers for the rupee?

THE HONOURABLE MR. HOSSAIN IMAM : I will present him with that too. Sir, the price of rice between the period 1920 and 1929 was 133 and the price of wheat was 169. It was then higher unfortunately for the rice growers of the eastern provinces. Then he enunciated another principle, that with the rise of wheat prices, the pockets of the peasantry will jingle and when they have more money it will be possible for them to buy more rice. That would have come better if rice growers had said, that, because the area in which rice is cultivated is two and a half times more than the area in which wheat is grown. The area was 84 million acres, whereas the area of wheat was less than 40 million acres.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : What maundage?

THE HONOURABLE MR. HOSSAIN IMAM : I have not got the figure. You can look it up in the report.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN—

THE HONOURABLE THE PRESIDENT : Order, order. Let the Honourable Member have his say.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, the rise in the price of wheat has a distinct bad effect on the pockets of the Bengal consumers. Bengal, as is well known, does not grow wheat; it grows only rice and jute; both of these have fallen very much. The price of raw jute is only 41·5 per cent. of what it used to command in 1913. That will show that the price is very low and if the price of the commodity by which they get money is reduced how can they purchase more wheat from the Punjab? I suppose the present price of wheat is high enough in ratio to the rice as we have added further to the difficulties by having a duty of Rs. 2 per cwt., the result is that they are not able to buy as much wheat as they can consume. This has a bad effect for the wheat growers as well because by reducing purchasing power and consumption, you have established a positive surplus supply, which has the direct effect of reducing prices. That is one reason why in spite of this duty of Rs. 2 per cwt. wheat prices have fallen again.

THE HONOURABLE THE PRESIDENT : The Honourable Member will have another opportunity of discussing this matter in view of the statement made by the Honourable Mr. Stewart.

THE HONOURABLE MR. HOSSAIN IMAM : I have to represent the interests of the rice growers and on this occasion I want to say why we do not find ourselves in agreement in treating this as the favourite wife of the Commerce Department. As the Honourable Member happens to represent the Treasury benches, I thought it as good an opportunity to discuss it now as when it is moved by one of the gentlemen on the Treasury benches—

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Why ?

THE HONOURABLE MR. HOSSAIN IMAM : You represent them !

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I do not.

THE HONOURABLE MR. HOSSAIN IMAM : You are here to represent the views of the Treasury benches ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I repudiate that very strongly. I am not here to represent the views of the Treasury benches. I am here to represent the views of my province.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, it is well known—

THE HONOURABLE MR. T. A. STEWART : May I, Sir, as a matter of personal explanation, say that the Honourable Mr. Yamin Khan was not expressing my views this morning ?

THE HONOURABLE MR. HOSSAIN IMAM : Then he is false to his own constituency ; that is all I can say. Sir, the position of the eastern provinces is that while they have every sympathy with the wheat growers of the Punjab and the United Provinces, they wish that justice should be done to them too. In this connection I very much regret that no mention was made in the budget proposals to impose a duty on the importation of rice. May I hope that the Honourable the Commerce Secretary when he informs this House of the decision of the Government he will also inform this House of what they are going to do about the rice position ?

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways) : Sir, my Honourable friend Mr. Stewart has already dealt with part (a) of the Resolution and it only remains for me to explain to the Council the attitude of Government towards part (b) of the Resolution. I would say rightaway that Government realise as well as anybody else how important cheap rates on wheat and other food products are to the agriculturist and also to the country at large ; but the Resolution as it stands suggests that cheap rates should be used as a method of giving additional protection to the agriculturist, in this particular case the wheat grower. This is a position that Government cannot accept. Government have consistently deprecated the giving of veiled protection to any industry or any particular class of industry by the manipulation of railway rates. They have always said that if protection is necessary it must be given openly. I do not think I can explain the position better than by quoting from a speech by the Honourable the Commerce Member made in February, 1934 during the debate on the railway budget. He said :

“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”.

I should also like to quote section 42, sub-section (2) of the Indian Railways Act :

“(2) A railway administration shall not make or give any undue or unreasonable preference or advantage to or in favour of any particular person or railway administration, or any particular description of traffic, in any respect whatsoever, or subject any particular person or railway administration or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever”.

Now having said that, I do not wish to imply that railways are always against giving reductions in freight. I can assure you that railways are always prepared to consider a reduction in freight so long as it is based on economic principles. But I think I might tell the House that any reduction in freight requires a considerable increase in traffic if the railways are to get the same earnings. For example, if we reduce our freight by 25 per cent. we have got to increase our traffic by 33 per cent. to get the same gross earnings. To get the same net earning the increase has of course to be considerably more. I should now tell the House of certain reductions we have made in wheat rates during the past two years from the United Provinces and the Punjab. The rates from Lyallpur and Khanewal to Calcutta have been reduced by 16 per cent. and 18 per cent., respectively, the rates from Aligarh and Chandausi to Calcutta have been reduced by 10 per cent., and the rates from Lyallpur and Khanewal to Bombay have been reduced by 28 per cent., these reductions have been made on purely commercial considerations.

THE HONOURABLE MR. HOSSAIN IMAM : What was the increase in traffic ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I could not tell you just now : I have not yet got statistics. These reductions have been made purely on commercial considerations and to prevent diversion to the sea route of this traffic which has normally been carried by the rail route. Further, from the 1st of September, 1934 the North Western Railway have been allowing a rebate of 25 per cent. on all wheat railed to Karachi, and thence exported to countries west of Aden via Karachi. This is being done with a view to encouraging export traffic. But Government would very strongly deprecate a general reduction in wheat rates to Karachi. The only effect of such action would be to divert wheat which is going to Calcutta by rail to the sea and would mean a loss of railway earnings. They would also deprecate a general reduction of wheat rates to Calcutta because of the fact that at present rates Indian wheat can compete in the Calcutta market and can meet all the needs of the Calcutta market. There is one other thing. I think people do not realise how an arbitrary reduction in freight rates for some particular commodity or industry may entirely upset the economic balance of another industry. Now take the case of wheat. If we made a large reduction in wheat rates to Calcutta it would entirely upset the flour mills in the Punjab. It would put them entirely out of the Calcutta market.

THE HONOURABLE MR. HOSSAIN IMAM : May I ask one question ? At present what is the difference in rates between wheat and flour ?

THE HONOURABLE SIR GUTHRIE RUSSELL: There is a very small difference.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: But my Motion only refers to one-way traffic. Two-ways traffic only comes in when wheat is sent from the Punjab.

THE HONOURABLE SIR GUTHRIE RUSSELL: All the rates I have quoted have been from up-country to the ports. I have not dealt with the rates from Calcutta to the interior. What I said was that it would entirely upset the flour mills in the Punjab who at present send a certain portion of their output to Calcutta.

If we reduce the wheat rates, the Calcutta flour mills would be able to produce their flour so much cheaper that they would entirely cut out the flour mills in the Punjab. But as I have already said if we are asked for reductions which the railways think will be remunerative we will be only too pleased to consider them. But we are not prepared to consider a proposal to reduce railway rates which has as its object the giving of veiled protection. Having made this explanation regarding the attitude of Government, I trust my Honourable friend Mr. Yamin Khan will see his way to withdraw his Resolution. Failing this, I regret that I must oppose it.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, I had no intention of participating in the debate on this Resolution but the speech of the Honourable Mr. Ghosh Maulik has prompted me to say a few words in connection with the Resolution. The speech of my Honourable friend has led me to think that he is not in favour of the Resolution. If that be so, Sir, I may inform him that a number of bodies and associations have sent representations to the Government of India supporting the extension of the Wheat Import Duty Act and among such associations is the Indian Produce Association of Calcutta in Bengal from which province my Honourable friend Mr. Ghosh Maulik comes.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: What about the other Associations in Calcutta?

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: In addition to this Association I find that the following Associations—

THE HONOURABLE NAWAB KHWAJA HABIBULLAH OF DACCA (Bengal: Nominated Non-Official): May we know who are the members of that Association and whether they represent Bengal or not?

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: In addition to this Association the following Associations have sent representations to the Government of India: The Indian Merchants' Chamber, Bombay; the Merchants' Chamber of the United Provinces, Cawnpore; the Maharashtra Chamber of Commerce, Bombay; the Mysore Chamber of Commerce, Bangalore; the Northern India Chamber of Commerce, Lahore; the Indian Chamber of Commerce, Lahore; the United Provinces Chamber of Commerce, Cawnpore; the Gwalior Chamber of Commerce, Karachi and the Indian Merchants' Association. So, Sir, the demand for the extension of the Wheat Import Duty Act is not confined to the United Provinces or the Punjab alone

but people of other places like Bombay, Bengal, Bangalore and Karachi are also in favour of the continuance of the import duty on wheat.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): So far as that Association is concerned I should not be surprised if they are an association of up-country people in Calcutta.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: I think, Sir, it is for my Honourable friend from Bengal to find out whether this association is a genuine Bengali one. In view of that, Sir, I hope that the proposition of my Honourable friend Mr. Yamin Khan will receive the support of this House and of the Government.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, the reason for my taking part in this debate is just to assure my Honourable friend Mr. Hossain Imam that the Honourable mover of this Resolution, as was pointed out by the Honourable Mr. Stewart, is not voicing the sentiments of the Treasury benches today but is really voicing the sentiments of the elected representatives of the Punjab and the United Provinces. I am in the fullest sympathy with the object of this Resolution, and I see no reason why it should be opposed by anybody. I very much regret the absence of the Leader of the Progressive Party this morning, because, if he had been here, I would have left the question to be settled between the Leader and the Deputy Leader. I am sure that the Leader of the Opposition, coming as he does from the Punjab, would have supported us.

THE HONOURABLE MR. HOSSAIN IMAM: I never opposed this measure. I only said that we wanted no discrimination between the rice and wheat grower.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: It was surely to be expected from such a progressive politician as Mr. Hossain Imam that he will support the Resolution if it is put to the vote, and if he did not create the same impression upon my mind before, it was due to the fact that he had taken strong exception to the personality of the mover of the Resolution. He can say anything he likes with regard to the personality of the mover, but I assure him that the object of the Resolution is such that it should be supported by every Member of this House. It is not really a contest between rice and wheat. I am in the fullest sympathy with all those who come from constituencies which grow rice and I can assure them that they will have my fullest support whenever there is any question regarding protection of the rice grower. We should all work in that spirit. I see no reason why the mover of this Resolution should withdraw it or why any of the non-official Members should oppose it.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I should like to support my Honourable friend Mr. Yamin Khan in his Resolution asking that the period of import duty on foreign wheat be extended. Though I come from a rice-producing province, I do not grudge my friends from the Punjab and the United Provinces getting the benefit they desire. At the same time I appeal to the Government of India to take early steps to treat the people of Southern India in the same way as they treat the people of the Punjab and the United Provinces. Only the other day, the Resolution regarding the import duty on rice

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[Diwan Bahadur G. Narayanaswami Chetty.]

was thoroughly discussed on the floor of this House and I therefore do not want to take up the time of the House any further except to say that while sympathising with the mover for the extension of the period of the import duty on wheat, I would appeal to the Government of India to come to a very early decision regarding the import duty on rice also.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Sir, before expressing my opinion as to what I am going to do with my Resolution, I feel bound to reply to a few of the observations which have been made on the floor of the House by some Honourable Members. I repudiated then, and I repudiate again very strongly any insinuations which have been made in the most commonplace manner against Members who come here to serve their own provinces and the country by accepting a nomination, insinuations that they have anything to do with the Treasury benches. If this insinuation were correct, then my Resolution would have at once been accepted by the Treasury benches. But as it has not been accepted, this will convince my Honourable friend that he was most unjustified and that it was wrong of him to say this or to make any insinuation in this easy manner in a House which has got dignity and prestige behind it.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask what is the constituency which the Honourable Member represents?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My Honourable friend does not represent his constituency often.

THE HONOURABLE THE PRESIDENT: Will you proceed with your speech?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: If the elections come this time—

THE HONOURABLE MR. HOSSAIN IMAM: What is the constituency?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My friend knows that I represented the constituency which the Honourable Hafiz Halim represents and if he had been present here, he would have told the Honourable Member what influence I have there.

THE HONOURABLE MR. HOSSAIN IMAM: What we want to know is what your constituency is? You have no constituency but the Government!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: As far as that goes, he can go on talking like a child! That kind of remark only takes away the prestige which this House has enjoyed for a very long time.

As far as my Resolution is concerned, I deprecate that Members who do not represent a particular interest should oppose the interests of those who do represent that particular interest. Will it be right, whenever people who represent the rice growers come up with a proposition, for those people who do not grow rice to jump up and say that they are not going to give them protection? That will not be right. As the House is constituted, we all do not represent the same interests. There are some people who represent the rice growers; some represent the wheat growers; some represent the millowners;

some are interested in imports, some are interested in exports. So, all people are not of the same interest, and therefore we have all got to support whatever is good for the Indian public, irrespective of whether it is going to affect us or not. If the tendency is otherwise, those who come up for the advancement of the country will find that by their disunion they will never be able to make any progress, whether they call themselves progressive or by any other attractive name.

THE HONOURABLE MR. HOSSAIN IMAM: Or United India!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: United India has seen its time. It has shown to the world what United India was. In view of the Government position, I do not know what to do with the first part of my Resolution. The Honourable the Commerce Secretary has not given to us the views of the Government. He has reserved them. In the absence of that, I do not know whether I should press that part of the Resolution or not. If the Government are going to make an announcement very soon, then it is not right for me to press this at once. (An Honourable Member: "Why not?") Unless I know the Government attitude, I cannot say whether I accept or reject the Government views. Government have not said whether they accept my arguments or not. It is not therefore easy for me to express an opinion on their views on this subject.

THE HONOURABLE THE PRESIDENT: But you have to make your decision now.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I cannot press it to a division, because Government have not yet decided. That is what I am saying.

As regards the second portion of my Resolution, that is only a corollary to the first, and therefore I cannot press to a vote the second portion, unless I know the position about the first. But I do not agree with the remarks of the Honourable the Chief Commissioner of Railways when he says that the Government cannot give any protection to any interest or any industry. That is not a correct proposition, because Government have been giving protection.

THE HONOURABLE THE PRESIDENT: I am afraid you have misunderstood what the Honourable Sir Guthrie Russell said. When he was referring to preference, he was referring to undue preference. He quoted from the Railways Act the law on the subject and said that the Government were not prepared to give protection.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I am not referring to the quotations. Just before the quotation he made a remark—

THE HONOURABLE THE PRESIDENT: He referred to the Act itself.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN:—and he said that Government cannot give protection to any industry or any interest or any class of interests.

THE HONOURABLE SIR GUTHRIE RUSSELL: What I said was that Government cannot agree to give protection to any industry by the manipulation of railway rates.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: That is true. But I found in his own speech the other day, when introducing the railway budget, he mentioned that the Government had given facilities to grains and other commodities in the matter of transport.

THE HONOURABLE SIR GUTHRIE RUSSELL: On purely commercial principles.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Quite right. I am talking of commercial principles. What is commerce? If seven-eighths of the population in the Punjab and the United Provinces are engaged in wheat-growing, is that not commerce? If that is not commerce, I do not know what he would call commerce? Does he mean by commerce only manufacture in mills of particular kinds of goods? Sir, I do not know how he can put the flour millowners in the Punjab in the same category as the wheat growers of the Punjab. The former are a handful of capitalists from whose existence India does not gain anything. But the existence of the peasantry is essential and their interests are essential. I do not know how he can put the two classes into the same balance. They are absolutely different. If his intention is to protect the interests of the flour millowners in the Punjab as against the wheat growers, I think he is wrong. That ought not to be the policy of the Government. The policy ought to be to benefit the masses of the people, and the wheat growers constitute the masses, not the flour millowners. Therefore, if the interests of the one conflict with the interests of the other class, I think protection should be given to the weaker class, the majority of the people and not to the few millowner capitalists.

But as I have said, the operative part of my Resolution was the first part, and about this the Government has given no decision and therefore I cannot press both parts. I know that all Honourable Members with the exception of a few support my view. The few appeared to be labouring under some misunderstanding, probably that this Resolution has been inspired by the Government, merely because a nominated Member to them is like a red flag to a bull. That is what probably made them jump up to oppose me. Anyhow I am not concerned with the trend of their minds. I should however like to await the Government's decision on this subject and therefore I beg leave of the House to withdraw the Resolution.

THE HONOURABLE THE PRESIDENT: Is it your pleasure that leave be given to the Honourable Member to withdraw the Resolution?

(Several Honourable Members expressed dissent.)

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by—

(a) extending the period of import duty on foreign wheat,

(b) reducing the railway freight on wheat when it is sent from the United Provinces and the Punjab to the port towns of Karachi, Bombay, or Calcutta."

The Question is:

"That that Resolution be adopted".

(A division was claimed and the division bell was rung.)

THE HONOURABLE THE PRESIDENT: As this Resolution consists of two parts I propose to exercise my discretion in the matter and put part (a) and part (b) separately.

THE HONOURABLE MR. HOSSAIN IMAM: As the Chair has already put the two parts jointly, may I request the Resolution be put as a whole?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: The Chair has absolute right to put it as it thinks fit.

THE HONOURABLE THE PRESIDENT: Order, order. In this matter the President is guided entirely by his views and it is a matter for his discretion.

Resolution moved:

"That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by extending the period of import duty on foreign wheat".

The Question is:

"That that Resolution be adopted."

The Council divided:

AYES—34.

Askuran, The Honourable Mr. Shantidas.
Buta Singh, The Honourable Sardar.
Charanjit Singh, The Honourable Raja.
Chari, The Honourable Mr. P. C. D.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Devadoss, The Honourable Sir David.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghazanfar Ali Khan, The Honourable Raja.
Ghosal, The Honourable Mr. Jyotsnanath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Hossain Imam, The Honourable Mr.
Jagdish Prasad, The Honourable Rai Bahadur Lala.

Johnson, The Honourable Mr. J. N. G.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.
Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Bakah.
Naidu, The Honourable Mr. Y. Ranganayakalu.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Philip, The Honourable Mr. C. L.
Russell, The Honourable Sir Guthrie.
Sapru, The Honourable Mr. P. N.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Suhrawardy, The Honourable Mr. Mahmood.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

NOES—0.

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by reducing the railway freight on wheat when it is sent from the United Provinces and the Punjab to the port towns of Karachi, Bombay or Calcutta".

The Question is:

"That this Resolution be adopted."

The Council divided :

AYES—8.

Buta Singh, The Honourable Sardar.	Naidu, The Honourable Mr. Y.
Chari, The Honourable Mr. P. C. D.	Ranganayakalu.
Ghazanfar Ali Khan, The Honourable Raja.	Sapru, The Honourable Mr. P. N.
Hossain Imam, The Honourable Mr.	Yamin Khan, The Honourable Mr.
Jagdish Prasad, The Honourable Rai Baha-	Mohammad.
dur Lala.	

NOES—21.

Chetty, The Honourable Diwan Bahadur G. Narayanaswami.	Hallett, The Honourable Mr. M. G.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Johnson, The Honourable Mr. J. N. G.
Devadoss, The Honourable Sir David.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.	Mitchell, The Honourable Mr. D. G.
Ghosal, The Honourable Mr. Jyotsnanath.	Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Glass, The Honourable Mr. J. B.	Philip, The Honourable Mr. C. L.
Glancy, The Honourable Sir Bertrand.	Russell, The Honourable Sir Guthrie.
Habibullah of Dacca, The Honourable Nawab Khwaja.	Spence, The Honourable Mr. G. H.
Hafeez, The Honourable Khan Bahadur Syed Abdul.	Stewart, The Honourable Mr. F. W.
	Stewart, The Honourable Mr. T. A.
	Tallents, The Honourable Mr. P. C.
	Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.

The Motion was negatived.

RESOLUTION *RE* BUILDING UP OF AN INDIAN MERCANTILE MARINE.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadian) : Mr. President, I beg to move the following Resolution :

"This Council recommends to the Governor General in Council to take suitable steps to build up an Indian mercantile marine at an early date with a view to an adequate participation of Indian shipping in the coastal and overseas trade of India".

Sir, Indian shipping is one of our greatest national industries and India with one voice and with remarkable unanimity has demanded for years past that Indian shipping should have its legitimate share in the coastal and overseas trade of the country and should build up an Indian mercantile marine worthy of India's ancient position in the maritime world. The Government of India have declared in unmistakable language that

"they are in full sympathy with the widespread desire that India should possess a merchant fleet of its own",

and Lord Irwin as the Viceroy of India observed in 1928 that it was an ambition worthy of India

"that India should have its mercantile marine and that the ships of that mercantile marine should be officered as well as manned by Indians".

The policy of Government further found expression in the Indian Legislature when it was made clear that their objective was to provide for

"an adequate participation of Indian shipping in the coastal and overseas trade of India" and "that Government are particularly anxious to facilitate the growth and the expansion of the coastal trade of India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital".

Even after the failure of the Shipping Conference convened by the then Viceroy, Lord Irwin, in 1930, the Government communiqué issued on the 6th January, 1930 clearly stated that

"the responsibility will rest with the Government of India".

of deciding what action should now be taken for the development of an Indian mercantile marine. I have referred to these authoritative pronouncements to make it clear beyond any doubt that both the people of this country and the Government of India are in agreement as to the necessity and desirability of building up an Indian merchant navy.

Now the question arises : What have the Government of India so far done to implement their accepted policy in this matter ? All that the Government have so far done seems to be that the Training Ship "Dufferin" was established at Bombay some time ago and a few scholarships have been granted to Indian boys tenable in the United Kingdom for training in mercantile engineering. Whether the Government have taken any other steps in the desired direction, I have yet to know. Now as to whether the mere establishment of a training ship would create an Indian mercantile marine I can do no better than quote the opinion of the Mercantile Marine Committee that was appointed by the Government themselves as an enquiry committee and which included two such competent British authorities as Sir John Biles and Captain Headlam. The Committee wrote :

".... It is our considered opinion that the provision of facilities for the training of Indian officers and engineers alone is not sufficient to meet the requirements of the case and that some further steps are required to achieve the object in view".

These further steps, they observed,

"should be in the form of the eventual reservation of the Indian coasting trade for ships the ownership and controlling interests in which are predominantly Indian".

This important recommendation by the Committee was made as far back as 1924 but the Government took no action on it. And when a Bill which was based on the recommendations of that Committee was introduced in the Legislative Assembly by Mr. Haji in 1928, it was opposed by the Government.

Moreover, there is one point in connection with the Training Ship "Dufferin." The Training Ship "Dufferin," I understand, turns out nearly 30 cadets every year and will turn out about 50 cadets from next year. Unless Indian shipping grows and develops, the problem of their employment will also be very acute in the near future. Similarly the employment of Indian marine engineers, wireless operators, etc., would also demand the development of Indian shipping.

Sir, there are in my opinion two recognised ways of developing the national shipping of a country. The most important and the universally recognised policy is to reserve the coastal trade for national shipping. According to the enquiry of the League of Nations, the result of which was published in 1931, 27 out of 32 maritime countries have reserved their coastal trade to their own nationals and the English Conservative Party recently stated that when it got into power, it would reserve their coasting trade to British ships. And I understand that there is also a proposal under the consideration of the British Government to reserve the imperial coasting trade to vessels under the British flag. But the Government of India have so far fought shy of accepting the principle of reservation of the Indian coastal trade for Indian shipping.

Another important manner in which the national shipping industry is developed in all maritime countries is the grant of subsidies. It is understood

[Rai Bahadur Lala Jagdish Prasad.]

that Japan which began the development of her shipping industry as late as 1870 enjoys a position today as regards tonnage which is third in the world. And the Japanese mercantile marine has been brought about by preferential treatment, by the grant of bounties and subsidies. Persia did not have a navy worth the name, indeed, even two years ago, but she has built a navy whose personnel is entirely Persian within so short a period. Governments of all civilised countries, such as France, Italy, Germany, Holland, Belgium, the United States of America and England, have done all they could to promote the development of strong mercantile marines and to protect their shipping which has prospered greatly as a result of it. According to Mr. Walter Runciman, the President of the Board of Trade, the French and United States shipping subsidies amount to £5,000,000 each; the Italian subsidy amounts to £3,000,000 and the Japanese subsidy amounts to £1,000,000, while the Dominions have a shipping policy which is nationalistic in character. Then about the United States of America I read only yesterday the news that a maintenance of adequate merchant marine under direct Government subsidy is proposed by Mr. Roosevelt in a special message to the Congress. But the Government of India have not yet adopted even the policy of giving subsidies to the Indian shipping companies in order to help the development of the Indian mercantile marine. The proportion of Indian shipping in the coastal trade of India is about 23 per cent. of the total tonnage operating in the Indian coastal trade which should be India's domestic concern by every canon of international law, maritime practice and imperial legislation. The share of Indian shipping in overseas trade is nil so that all the profit on cargo carried between foreign countries and India is earned by non-Indian shipping concerns. And if India had her own mercantile marine the huge sum of about Rs. 40 crores a year which represents India's annual rate bill would be retained in the country.

Now, Sir, will it not be pertinent to enquire how, having refused to follow either of these two recognised methods of protecting the national shipping, the Government of India are going to discharge their responsibility which they have publicly undertaken to promote the development of an Indian mercantile marine with a view to an adequate participation of Indian shipping in the coastal and overseas trade of the country? Sir, India's anxiety in the matter of development of her national shipping is enhanced by the commercial safeguards that have been provided in the new constitution. Because under the safeguards provided in the Government of India Bill, even if at any time in the future the Government were willing to reserve the Indian coastal trade in the manner suggested by the Mercantile Marine Committee, they have been deprived of the power to introduce such legislation; and if the Indian Legislature decides to grant a subsidy to an Indian company to enable it to fight against the unfair competition of the vested shipping companies, the British shipping companies against whose unfair competition such protection by way of subsidy is given will be equally eligible to participate in the grant with the Indian companies. I would like to know how the Government propose to carry out their accepted policy and repeated declarations to develop an Indian mercantile marine in the face of the severe handicaps sought to be imposed in the shape of commercial safeguards in the new constitution.

I wonder why the Government of India should not take immediate steps to increase the share of Indian-owned and Indian-managed shipping from 23 per cent., at which figure it stands today, to 51 per cent. in the course of, say the next five years by means of the licensing system, bounties, mail subsidies,

etc., and why Government should as a first step not promote the entry of Indian shipping in the overseas trade, especially in routes adjacent to India such as Karachi to Persian Gulf ports and Madras to the Straits by means of a subsidy which need not exceed Rs. 5 lakhs in the case of each of these routes.

In conclusion, Sir, I submit that the Government owe a duty to the public and the Legislature to declare their future plan of action in an unequivocal manner on this vital question of building up an Indian mercantile marine with a view to an adequate participation of Indian shipping in the coastal and overseas trade of India.

Sir, I move.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, I move :

"That for the original Resolution the following be substituted, namely :

'This Council recommends to the Governor General in Council to take immediate steps to give the contract for carrying coastal mails between India, Burma and Singapore to Indian steamship companies for the purpose of helping in the growth of a sufficiently large Indian mercantile marine to participate in the Indian overseas trade'."

Sir, in moving my amendment I beg to state that I am in perfect agreement with the Honourable mover of the Resolution in his object, namely, the development of merchant shipping in the coastal and overseas trade of India.

Coming as I do from Bengal I recall with pride the past glories of shipping in Bengal.

The reason for my moving this amendment is that I want to suggest a specific, definite and constructive method of developing Indian shipping in order to achieve the object underlying the Resolution of my friend the Honourable Rai Bahadur Lala Jagdish Prasad.

Sir, mail subsidies and contracts are important forms of State aid to shipping and have been resorted to by all important maritime States in order to develop their national shipping. I would, while on this subject, recall a very striking example of a subsidy which helped the development of British shipping in the coastal waters of India. I refer to the subsidy granted by Sir Bartley Frere to Mr. William Mackinnon, the founder of Mackinnon, Mackenzie and Co., and the pioneer of British shipping in India; this subsidy given in 1863 enabled Mr. Mackinnon to establish a line of coasting steamers calling at various ports from Karachi to Calcutta as well as steamers to the Persian Gulf, Africa, England and Australia. The incident of the meeting of Mr. Mackinnon with Sir Bartley Frere has been recorded in the life of Frere and the biographer notes that

"the great (British India Steam Navigation) company took its first impulse", so said Sir William Mackinnon, "from the encouragement given by Frere to a young and unknown man at his breakfast table in Chowringhee."

This will show the House how State assistance at a critical moment led to the establishment of the British shipping services on the Indian coast. Sir, I regret to have to say that Indian shipping has not been so fortunate in receiving State aid. On the contrary, nearly 20 Indian shipping companies have been wiped out during the last 30 years by powerful vested interests and Government have not until very recently come to the rescue of Indian shipping enterprises.

[Mr. Jagadish Chandra Banerjee.]

I might mention that, so far as I am aware, a subsidy of about Rs. 15 lakhs per annum is being granted to the British India Steam Navigation Company and the Peninsula and Oriental Company which are both British concerns since 1923. Government entered into a contract of 10 years with these companies for the carriage of mails on the Indian coast as well as from Madras to the Straits and Bombay to Marseilles. So far as I am aware no tenders were invited at the time nor was any preference shown to Indian shipping companies.

I would incidentally refer here to the recommendation of the Indian Mercantile Marine Committee that

"It will be necessary to enter in all future mail contracts in which the whole amount of subsidy is to be paid by India, a stipulation to the effect that all suitable ships owned by such companies must take on board a number of Indian apprentices".

I would like to know whether this recommendation has been acted upon by the Government in giving mails subsidies and, if not, what are the reasons for not doing so? I would point out in this connection that the Training Ship "Dufferin" is turning out 30 cadets every year and will turn out about 50 cadets from next year; so that unless Government insist on shipping companies which ply on the Indian coast employing Indian officers, engineers and wireless operators, the problem of their employment will become acute in the near future.

When the last mail contract with British shipping companies was about to expire, various Indian commercial bodies demanded with one voice that tenders should be invited and that preference regarding contracts should be given to companies whose controlling interests are Indian. I should like to know from the Government whether any tenders were invited and how many, if any, Indian shipping companies are receiving any mail subsidy and, if so, what is the total amount? I would also like to know what is the total subsidy which is now being received by British companies out of Indian revenues and on which routes they are carrying these mails? Have Government enquired whether any Indian shipping companies were willing or likely to carry mails on these routes under the conditions laid down by them? If I am not mistaken, the Bengal Burma Steam Navigation Company which is an entirely Indian concern has been carrying mails between Chittagong and Rangoon for over a year and has been doing this work quite satisfactorily and efficiently. I would therefore request the Government to give further opportunities to Indian shipping companies to prove their worth. I might mention that it is possible to give immediately mail subsidy and contract to an Indian company for carriage of mails between Bombay and Karachi.

I might here refer also to the fact that while a British shipping company was getting a pretty large subsidy of about Rs. 2,000 for the carriage of mail between Chittagong and Cox's Bazar, no such subsidy is paid to the Bengal Burma Steam Navigation Company, although they have applied for it and in spite of the fact that they are regularly running three good passenger steamers on that route.

Apart from the mail subsidy which is strictly a return for services performed, other countries are giving large subsidies to assist the development of shipping. For instance, Japan is giving 9 million yen, Great Britain nearly £3 million, France 271 million francs, Italy 254 million liras and the United States over 28 million dollars. Indian shipping, on the other hand, is not receiving any subsidy at all. It should be given subsidies in order to enable it to build up

services between Madras and the Straits, Rangoon and Madras or Calcutta, Rangoon and Mergui and Tavoy. Shipping is a key industry but an infant industry in India and therefore deserves State aid for both reasons.

With these few observations, Sir, I commend my amendment to the acceptance of the House.

THE HONOURABLE THE PRESIDENT: Not an amendment. Yours is a substituted proposition.

Motion made:

"That for the original Resolution, the following be substituted, namely

"This Council recommends to the Governor General in Council to take immediate steps to give the contract for carrying coastal mails between India, Burma and Singapore to Indian steamship companies for the purpose of helping in the growth of a sufficiently large Indian mercantile marine to participate in the Indian overseas trade."

The debate will now proceed simultaneously both on the original Resolution and on the substituted Motion.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, it is always gratifying to find non-vested interests championing a cause, and when my Honourable friend who hails from a non-maritime province takes such a keen interest in this matter of the Indian mercantile marine, the House can rest assured that the subject affects general and not specific Indian interests. That this is an all-India question is evident from the history of the last twelve years. The Indian Mercantile Marine Committee was appointed in February, 1923, with the then Director of the Royal Indian Marine as President. After recording a vast amount of evidence, both written and oral, and visiting various shipyards, the Committee recommended that the ideal Indian marine should consist of ships registered in India, the crews of which are to be Indians, the owners to be joint stock companies with a predominantly Indian directorate or should be individual Indians, the major share capital should be Indian, the management predominantly Indian, and that the ships should be built in Indian shipyards.

It was also recommended that in the first instance the Royal Indian Marine should be converted into the Indian Navy, and that a training ship should train Indian cadets.

I am glad to say, Sir, that these two preliminary conditions have been fulfilled but much remains to be done.

Dealing with the recommendation regarding an ideal Indian mercantile marine, appearing in paragraph 42 of the report, sub-paragraphs (a), (c), (d) and (e) are easy to tackle as they deal mostly with legislation.

As regards (b), a beginning has been made and the "Dufferin" has been provided to train cadets. As regards the crew, I may say that for a thousand years or more, Cutch and Konkan have provided material for good seamanship.

Now we come to sub-paragraph (f), I say it without fear of contradiction that much could have been accomplished during the last eleven years since the Report of the Committee was available. It seems to me that the ideal starting point of any mercantile marine, is the development of the capacity of a country to produce its own tonnage whether in times of peace or war. Great Britain has been building its own tonnage for centuries, and America, Italy and Japan are likewise building their own tonnage.

[Mr. Shantidas Askuran.]

Such being the case, it grieves me to find that no effort has been made to take measures for the encouragement of shipbuilding in India, because apart from the condition in sub-paragraph (b) of the report the rest of the conditions obtain in India and the last one is the central pivot round which the whole thing revolves. The measures that the Government can adopt can be divided into two categories.

Firstly, there is the question of training promising brains into the intricacies of naval architecture. I would be the last person to suggest the establishment of a school of naval architecture at this stage. But I maintain that Government would be well advised till such an institution is available to train up promising material in England and to ask for the necessary co-operation from His Majesty's Government. I am not aware of any steps taken in this direction, but I should welcome enlightenment on this point.

Secondly, there is the question of providing work for the shipyards to prevent them from being idle once they are established. It is not beyond the Government's power to enact legislation by which these shipyards shall be compulsorily supported by all the tonnage licensed to ply in Indian waters. I suggest, Sir, that these shipyards should be given all the protection that infant industries need.

Time and again Government have told us that they are sympathetic towards our aspirations. Lord Halifax when he was Viceroy repeatedly assured us of his keen interest in the matter. The Commerce Member has always lent a sympathetic ear to our representations. But what is needed is a little more action rather than mere sympathy. I may in conclusion say, Sir, that eleven years have elapsed since the report was published and only nine years remain to run out of the 20-year period advocated by the Committee. I therefore, Sir, whole-heartedly support this Resolution and hope that it will be acceptable to the Government.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I rise to support the Resolution of my friend the Honourable Lala Jagdish Prasad. Sir, there was a time when India was a great maritime power. She had a large overseas trade and her vessels used to be the envy of western powers. You may read of those vessels in Marco Polo's travels and in Beal's Gujarat. I am not going to tire the House by reading quotations from Marco Polo's travels. But the position changed when the East India Company came here, and with the industrial revolution and the changes which that industrial revolution brought about Indian shipping went down. Now, Sir, coming to more recent times, what is the position? During the last 30 years very nearly 20 shipping companies have had to go under on account of the competition of the British shipping companies. I believe in 1922 Sir Sivaswamy Aiyer moved a Resolution recommending that Government should take steps to appoint a committee to consider the question of the development of an Indian mercantile marine. As a result of that Resolution a Mercantile Marine Committee was appointed, and that Committee recommended that the coastal trade of India should be reserved for vessels the controlling interests of which are Indian. Now, Sir, no action was taken on that report and therefore Mr. Haji had to introduce a Bill in the other House. The Bill roused a great deal of controversy but it was able to pass its second reading in the Assembly; it was referred to a Select Committee and the report of the Select Committee was submitted to the Assembly in 1929. In 1930 Lord Irwin convened a Shipping Conference, out of which nothing resulted.

Meanwhile, the term of the Assembly came to an end and the Bill had to be dropped. At the Shipping Conference Sir Phiroze Sethna made it quite clear that we did not want any expropriation. He made a proposal for compensating the British interests, so that there was no question whatever of expropriation at any time. After that we had the Round Table Conferences, the results of which are embodied in the Joint Select Committee's Report. And with the commercial discrimination clauses of the new Government of India Bill the position will be even worse, because those clauses proceed on the basis of reciprocity and the initiative in this matter of reciprocity will rest with Britain. So far as British coastal trade is concerned, 98 per cent. of that coastal trade is in British hands. How can there be any reciprocity between a giant and a dwarf? It is therefore not wrong to say that all this talk of reciprocity is sheer humbug, is downright hypocrisy, as Sir Phiroze Sethna said the other day in this House. Sir, the total British tonnage is 19 millions and our tonnage is only about two lakhs. How can there be reciprocity in these circumstances? But, Sir, the commercial discrimination clauses go even further in this respect. We cannot give any subsidy to any Indian concern in the case of those industries in which there are existing British industrial concerns without giving subsidy to the British industrial concerns also. Now, we know, Sir, that the greater part of our export trade is in the hands of British shipping companies and therefore the result of these commercial discrimination clauses will be that it will not be possible for us to subsidise our industry without subsidising the British industries. Sir, other countries are subsidising their shipping industries. Take, for example, America. We read, I think only yesterday or this morning, that President Roosevelt had suggested that the Congress should vote a very large sum as subsidy for the shipping industry in America. England itself is subsidising the shipping industry. There are proposals to that effect by Mr. Walter Runciman. Italy, Germany, France, all these countries are subsidising their shipping industry. Why should we not, Sir, also follow in the wake of these countries, particularly when we remember that we are much less advanced than these Western countries are? I come to another point now. The position in regard to shipping legislation was considered by the Conference on the operation of Dominion Legislation and Merchant Shipping Legislation in 1929, and at that Conference which ultimately led to the passing of the Statute of Westminster, the position in regard to the Dominions was stated in this form:

"The new position will be that each Dominion will, amongst its other powers, have full and complete legislative authority over all ships while within its territorial waters or engaged in its coasting trade; and also over its own registered ships both intra-territorially and extra-territorially."

So far as India is concerned, at page 40 you find this Conference saying:

"At the same time, as the position of India in these matters has always been to all intents and purposes identical with that of the Dominions, it is not anticipated that there would be any serious difficulty in applying the principles of our recommendations to India and we suggest that the question of the proper method of so doing should be considered by His Majesty's Government in the United Kingdom and the Government of India."

Now, Sir, what is the action that you have taken on this report? The action that has been taken is embodied in the commercial discrimination clauses of the new Government of India Bill and they are contrary to the letter and the spirit of the recommendations of this Conference on Dominion Legislation and Merchant Shipping Legislation in 1929. Sir, it is not an unreasonable demand on the part of Indian shipping interests that they should have a good share in the coastal traffic of their own country. At present they have hardly 20 per cent. of the coastal trade in their hands and they have had as a

[Mr. P. N. Saprū.]

result of the policy, of the step-motherly policy, which has been pursued by the Government to enter into arrangements with British commercial concerns. Now, Sir, we are not interested as Indian taxpayers, as representatives of the people here, in those arrangements. What we want to know is what is the Government which professes to act as a national Government in regard to national matters doing to promote the shipping industry of India? Sir, we cannot be accused of impatience. The matter has been under consideration for the last 13 or 14 years. The agitation started in 1922 with the Resolution of Sir Sivaswamy Aiyer. Some of the commercial discrimination clauses are due to this agitation; at any rate this is what we are told, and yet during all this time the Government of India has not been able to make up its mind as to the proper policy to be pursued in regard to the coastal trade of India. Our own view is that the coastal trade should be reserved for Indian ships; our own view is that you ought to find some money from the Indian exchequer to subsidise the shipping industry. You can find money when you want to for the restoration of salary cuts. You ought to find some money from Indian revenues for the purpose of subsidising an industry, which is, as my Honourable friend Mr. Banerjee pointed out, a key industry. It is an industry vital for the economic progress and development of this country. If you hesitate to take action in this matter, if you do not act as you ought to act in this matter, then you must not blame Indian politicians for telling you very straightforwardly and candidly that you are not doing your duty by the country and that their fear is that when the new constitution is introduced with the commercial discrimination clauses also a part of it, the position from the Indian point of view will become much worse. We are blamed, Sir, for criticising the Government in season and out of season, but we would like to know whether in this case at any rate our criticism is not a right criticism, is not a just criticism. We should like to know what is it that you have done during recent years to help to build up this industry, in which none of us is personally interested here, but in which my friend Mr. Shantidas is interested, and we speak therefore not as representatives of any vested interests, but as men who have the economic interests of the country at heart and who want to see our industries and our trade developed.

Sir, with these few words, I support the Resolution moved by my Honourable friend Lala Jagdish Prasad as also the amendment of my Honourable friend Mr. Banerjee.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : The Resolution which our colleague the Honourable Lala Jagdish Prasad has moved is a wide Resolution, inasmuch as it does not confine the attention of the House and the Government to the coastal traffic only but to the wider, bigger and greater issue of our overseas trade. I am one of those people who dream of having Indian bottoms to carry Indian trade. The reason why I wish to see that happy day come is that we find that at the present moment our export trade is greatly hampered for want of Indian bottoms to take them out. I will give you some instances of hampering later on.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Mr. Bijay Kumar Basu.)

Sir, the Government has been not only irresponsible but irresponsible. In the first place, with the ending of the East India Company, Indian shipping as such ceased to operate, and with the creation of the steamship it gradually but surely disappeared. It was only

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during recent years that an Indian marine worth the name has started coming into operation. When it came into being the Government of the day instead of being sympathetic placed all sorts of impediment a in its way. I may give you some instances. Government has the option of giving the contract for the carriage of mails to any shipping company they like to but all the same these contracts were given to British companies. Up to now, Sir, as far as my information goes, there is only one Indian company operating in Indian waters which has a contract for carrying mails from one port to another. It was in the hands of the Member for Industries and Labour to give the contract to an Indian shipping company, but that has not been done.

Then, Sir, we know that almost all countries who have got a mercantile marine have created it by means of subsidies and help. Some countries did it early and some late. For instance, England which never did anything in the beginning has now started supporting the small shipping as well as the big shipping. We know how the ship named "Queen Mary" was built because of the generosity of the Board of Trade. Well, in India the Government never thought of doing anything in that way. We know, Sir, that in the United States of America, in order to create a mercantile marine they spent a lot of money; which led to disastrous financial results, because they embarked on it, as they always do, on a gigantic scale. Our Government would not do even small things, even a little bit to help.

Then, Sir, I am sorry to say that Indians have always been reasonable. They have always wanted to look at the other man's point of view. They always say that there should be justice. This is a defect in the Indian character, I admit; because in the present world there is no justice. Sir Phiroze Sethna said there should be compensation to the British companies, and what was the result? It simply increased the insatiable desire of the British mercantile marine to have everything for itself. We wish to live and let live; but they say, "No, I will live alone and you shall not live"! Because, as has been very ably pointed out, to say that there will be a mutual exchange between England and India and that England is not going to bar Indian shipping from English waters, is like saying that a man with a low handicap should play with a man with a high handicap on equal terms. You do not allow it in play, why do you allow it in commerce?

Secondly, Sir, the Government have accepted the principle that Indian industries have a right to discriminate, to ask for protection even from British industries. That is the first principle of protection in India. It may be that there is this condition that there need not be the same amount of protection against British goods as against others. If this principle can be applied to the manufactured goods, why not apply it to the mercantile marine as well? If it is found that a smaller amount of protection is required from British competition, give less subsidy for the ships that are working against British competitors, than for lines that are served by foreign competitors. But whatever you do the action of the Government in allowing the thing to drift is indefensible. Now, Sir, may I say one word as to why we are so anxious to have an Indian mercantile marine of our own? Is it simply because we are swayed by a sentimental idea of having a company of our own, or is there any reason for this madness of ours? I will say, Sir, that there is some reason in it. We are anxious to have a mercantile marine not so much for having something to have to boast about, but because it is a dire necessity. The necessity arises from the fact, Sir, that a national mercantile marine which is subsidised by the State, which is helped by the State, will be under the control of the State to a certain extent in the matter of freight rates. I challenge the Government, Sir, to refute the statement that within the last few years the freight

[Mr. Hossain Imam.]

from England to India in British bottoms has come down by about 15 per cent. whereas the return freight rates for goods going from India to England have increased by 10 per cent. This is one of the reasons, Sir, why we want to have a mercantile marine of our own so that we may increase our export trade and not be swamped by foreign goods coming and competing with us. At the present moment there is no safety for Indian industry from this sort of unfair competition by means of which the manipulations of freight to and from the country either make it a commercial proposition or make it a dead loss. It is because of that, Sir, that we are anxious to have an Indian mercantile marine of our own. Sir, I will give a concrete instance. The freight from the Australian growing centres to Liverpool for Australian wheat is much lower than the combined freight which our friend Sir Guthrie Russell and the British shipping companies demand for carrying Punjab wheat to the British markets. If the Government is foolish enough to allow the present drift to continue the result will be that in a very few years with the increased production of food-stuffs by other countries who will have national bottoms to carry the goods, we will be completely out of the market. As we have been wiped out of some industries we will be wiped out of all foodcrops which we have. Sir, the fact that such leaders of commerce as France, Germany, Italy and the Union of the Soviet Republic and United States have reserved their coastal traffic to their own countries is sufficient to justify our demand. When such advanced nations find it necessary to do this it is all the more necessary for India, which is just entering this field, to have reservations of its coastal traffic. May I suggest, Sir, that the least the Government can do is to make it possible for Indian companies even at slightly higher rates to carry mails from one port to the other. The Government do not in all cases follow the example of the British Government in these respects. For instance, the British Government is charging 6d. on air mail, but we have to pay 7½ annas. That shows that we have to pay higher. Even if we have to pay a little higher for this accommodation, as long as our mails are carried in our own bottoms, it will not matter. This Resolution is really a sort of insurance premium for the safety of Indian commerce and trade. If we do not have an Indian mercantile marine, we will in the end have no trade left to boast about.

Sir, I support this Resolution.

THE HONOURABLE MR. P. C. D. CHARI (Burma: General): Sir, on such an important Resolution as this, I do not want to give a silent vote. Eleven years have passed since the admirable report of the Indian Mercantile Marine Committee presided over by the Chief of the Indian Mercantile Marine, now retired, was presented. That report, among other things, recommended the reservation of the coastal trade of India to Indian shipping. The Government suddenly discovered that though the Committee was composed of businessmen, who could look at the proposition from a business point of view, the economic reactions of reserving the coastal trade of India were lost sight of in making the report, and subsequently, in opposing Mr. Haji's Bill for reserving the coastal trade of India, other things also were discovered, e.g., the expropriation of vested interests and so forth. The Resolution, I find, is a very modest one. It does not ask for steps to be taken for reserving the coastal trade to Indians. In fact, the reservation of the coastal trade to Indians has lost much of its significance in view of the impending separation of Burma from India. The bulk of the coastal trade was from Burma to India and from India to Burma, and in view of the separation, even if there is reservation, it will not operate with reference to the bulk of the coastal trade. There will

be only a small portion of the coastal trade left, and it is high time that, without prejudice to the rights of the existing shipping companies which have got a vested interest, Government take courage in both hands and come forward with a scheme to give Indian companies a greater share of the coastal trade of India. Various remedies were suggested for stimulating the building up of an Indian mercantile marine, and they are as good today as when the report was made, 11 years back. Subsidies are one of the means of assisting and developing the Indian mercantile marine, and a subsidy of the type recommended in the amendment proposed by my Honourable friend Mr. Banerjee is quite welcome, and it would greatly stimulate the Indian coastal trade. In this connection, I would be failing in my duty if I did not refer to one aspect of the question which has cropped up with reference to Burma. As a result of the Shipping Conference, the British India Steam Navigation Company was obliged to come to some agreement with the Scindia Steam Navigation Company. As a result of that, it was agreed that the Scindia Steam Navigation Company should have a share in the passenger traffic between Burma and the Coromandal Coasts.

THE HONOURABLE MR. SHANTIDAS ASKURAN: Only one line.

THE HONOURABLE MR. P. C. D. CHARI: I am only referring to that one line which has been conceded. As a result of all this agitation for reservation of the coastal trade of India, the Scindia Steam Navigation Company has been able to secure a portion of the coastal trade in one line—and that, at what cost? Before the agreement was concluded, the deck rates which have been prevailing for a very large number of years had settled down at Rs. 10 per trip from Rangoon to the Coromandal Coasts and *vice versa*. Now, as a stipulation for giving a share of this coastal trade in passenger traffic to the Scindia Steam Navigation Company, it was insisted that they should enhance the rates from Rs. 10 to Rs. 14 and that they should run at the same level. As a result of the Scindia Steam Navigation Company being allowed to share in the passenger traffic, the deck fares from Rangoon to the Coromandal Coasts was raised from Rs. 10 to Rs. 12, and within one year, they again raised it from Rs. 12 to Rs. 14. We have been carrying on ceaseless agitation in Burma in the interests of the large Indian labour which is employed there, but in the face of this agreement, even the Scindia Steam Navigation Company cannot help us, and they have now increased the rates from Rs. 12 to Rs. 14 within the space of one year, and the Scindia Steam Navigation Company, which is one of the participants in the profits, would not reduce rates nor would the British India Steam Navigation Company reduce rates. As a result of this monopolistic position of the Scindia Steam Navigation Company, and on account of our not having—

THE HONOURABLE MR. SHANTIDAS ASKURAN: May I correct you on one point? The Scindia Steam Navigation Company are only the Agents of the other Company, which we only run.

THE HONOURABLE MR. P. C. D. CHARI: That does not make any difference at all.

THE HONOURABLE MR. SHANTIDAS ASKURAN: The shareholders are of the other, not of the Scindia.

THE HONOURABLE MR. P. C. D. CHARI: The Managing Agents, who carry out the policy, are the Scindia Steam Navigation Company. I cannot blame the Scindia Steam Navigation Company. I am only pointing out that

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on account of the monopolistic attitude of the British India Steam Navigation Company, on account of the absence of any other concern—

THE HONOURABLE MR. SHANTIDAS ASKURAN : No company is in a position to have a freight war or a passenger war.

THE HONOURABLE MR. P. C. D. CHARI : I am referring to it. On account of the position that the Scindia Steam Navigation Company is not in a position to carry on a freight war, or a rate war, with the British India Steam Navigation Company, the two companies were obliged to raise the fares by about 40 per cent. at a time of depression. This is enough to show that the interests of the people of India are allowed to deteriorate from day to day, and the main consideration which controls the policy of the steamers plying in the coastal trade is their own profit at the expense of the poorest classes of people in India.

Sir, I support both the Resolution and the amendment.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : Sir, as the Honourable mover of the Resolution has said, Government spokesmen have on many occasions expressed their fullest sympathy with the object which the Honourable mover has at heart. I do not therefore propose to oppose this Resolution, and it is perhaps in the circumstances not necessary for me to follow certain Honourable Members through their historical and economic justifications of the creation of an Indian mercantile marine. Let me say only that though Government are prepared to accept the Resolution in the form in which it has been moved, that acceptance of itself must not be taken to imply recognition or approval of any of the particular steps that have been mentioned, or necessarily an acceptance of the time programme that appears to be behind those suggestions. What, Sir, are the steps that have been proposed as those which might most suitably develop an Indian mercantile marine? The first suggestion is that very important one, the reservation of the coastal trade of India for an Indian mercantile marine. Now, that step has been debated at very great length in another place and outside of it, and I do not propose to go through all those arguments again. I have only to say that Government still is unrepentant. They think that as a policy it is unwise and they think moreover that an administrative scheme it is not a workable one. The existence on the coast of India of ports like Marmagaoa and of ports in the Indian States would render it one of the easiest processes in the world to circumvent any scheme of coastal reservation. I am indebted to the Honourable Mr. Chari for suggesting that after all nowadays insistence on coastal reservation is somewhat like flogging a dead horse. If, as we all believe, the separation of Burma is imminent, by far and away the greatest and most valuable part of the coastal trade will no longer be coastal trade and would no longer be subject to any coastal reservation.

The next suggestion that was made was that the Indian mercantile marine should be encouraged by the payment of subsidies. Now, that is a method of encouragement that has never been entirely ruled out of the question. It is however one that presents very serious practical implications for India at the present moment. You have to ask yourselves can we afford to pay subsidies? Is it necessary that they should be paid? I think Honourable Members will agree with me that if an industry is developing at a reasonable rate without the payment of subsidies, it is not a justifiable tax upon the general

tax payer to pay subsidies in order to give an unnatural stimulus to the development of that industry, whether it be the mercantile marine or any industry on land. What is the measure of the subsidy which would have to be given? Now, Honourable Members have referred to the subsidies that have been given by other countries, by Japan, by Italy, by the United States. I think if Honourable Members would consider what have been the amounts of money paid by those countries, they would probably find that the figures were rather astronomical in their size. Let me quote only the figures that were given in respect of the American subsidy. I gather that in America it was considered necessary in order to subsidise the mercantile marine that they should pay for services at something like ten times their economic value. I ask you, Gentlemen, whether it is considered a reasonable proposition that the taxpayers in India should be asked to contribute ten times the economic value of services received?

THE HONOURABLE MR. P. C. D. CHARI : Some reasonable subsidy may be given.

THE HONOURABLE MR. T. A. STEWART : Mr. Chari suggests some reasonable subsidy. Can he assure me that twice the economic value, or four times the economic value, would be a reasonable subsidy? Has he any measure of what is a reasonable subsidy? I am afraid he has not, but I can say this, that if the American standards were applied to the Indian mercantile marine at the present moment the payment of a subsidy on mails at that rate would be equivalent roughly to a contribution of twice the paid-up capital of the largest Indian company every year. That would be the contribution from the man who posts his letters, on whose behalf we have such eloquent appeals from time to time. It would also mean a very considerable debit to that commercial department, the Posts and Telegraphs. It would not be a true commercial debit; it would be a wholly unreasonable and uneconomic one, and it would no doubt be accompanied by protests that the Posts and Telegraphs Department was not paying its way.

THE HONOURABLE MR. HOSSAIN IMAM : Would it be more unreasonable than the political debit which is made for carrying on post offices in the Indian States? Rs. 46 lakhs is paid for that.

THE HONOURABLE MR. T. A. STEWART : I am afraid that I am quite unable to give you any information as regards the arrangements that are made for postal agreements with the States.

THE HONOURABLE MR. SHANTIDAS ASKURAN : Have you considered how much the taxpayers have to suffer if you were to give a reasonable subsidy equal to a 5 per cent. dividend on the capital engaged in shipping companies? According to my information, the total Indian shipping capital at present in India is not more than Rs. 2 crores, and if a subsidy amounting to a dividend of 4 or 5 per cent. were given would that be burdensome to the taxpayer?

THE HONOURABLE MR. T. A. STEWART : I, Sir, have no fault to find with the Honourable Member's arithmetic, but I merely said that if subsidies were to be paid to Indian lines on something like the same scale as apparently they were paid in America, the result would be what I stated a few moments ago.

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It has also been said, though less emphasis has been placed upon this point, that perhaps we are not doing enough in the training of the personnel who will ultimately man the Indian mercantile marine. To that I would refer later. Meanwhile let me mention the proposals that the Honourable Mr. Shantidas Askuran put forward. He said, "You are paying no attention to naval architecture". What he suggests is that we send people to the United Kingdom, to the ship-building yards and to naval colleges, to be trained as naval architects. May I ask the Honourable Mr. Shantidas why? No doubt it is a very interesting career. No doubt it is a very interesting training. But may I ask the Honourable Member who made the suggestion what they are going to do when they return to India?

THE HONOURABLE MR. SHANTIDAS ASKURAN: If you put that proposal along with the general scheme, of course they will be useful.

THE HONOURABLE MR. T. A. STEWART: I still do not understand how they would be useful. The ship-building industry in India is I think confined to a few small vessels of the nature of tugs, for which the services of highly trained naval architects are hardly necessary. But in any case he went on to say, "Why not protect the ship-building industry?" I do not know whether he is aware—he may have forgotten—that the protection to the Indian ship-building industry was the subject of a Tariff Board enquiry some years ago?

THE HONOURABLE MR. SHANTIDAS ASKURAN: I know that.

THE HONOURABLE MR. T. A. STEWART: Now you may—

THE HONOURABLE THE CHAIRMAN: I think this will be a convenient time to adjourn for lunch. The debate can be resumed afterwards.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House): Is not the last speaker on his feet?

THE HONOURABLE THE CHAIRMAN: He can continue his speech after lunch.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZAL-I-HUSAIN: I thought he was about to conclude.

THE HONOURABLE MR. P. C. D. CHARI: There may be other speakers after he sits down.

THE HONOURABLE THE CHAIRMAN: The Council will now adjourn till Half Past Two.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council reassembled after Lunch at Half Past Two of the Clock, the Honourable the Chairman (the Honourable Mr. Bijay Kumar Basu) in the Chair.

THE HONOURABLE THE CHAIRMAN: The debate will now be resumed.

THE HONOURABLE MR. T. A. STEWART: When the House adjourned, Sir, I was proceeding to consider what had been the policy of the Government of India and what had been achieved under that policy. Now, the conception of the Government of India—and I think that Honourable Members will agree that it is a right one—the conception of the Government of India of an Indian mercantile marine is not that merely of a money-making machine whereby certain capitalists receive returns on their money. The Government of India's conception of a mercantile marine is of an organisation which will carry Indian goods in ships owned by Indians, manned by Indians, and officered by Indians. Now, as far as the manning is concerned, I should like to add my tribute to what has been said by the Honourable Mr. Shantidas Askuran regarding the Indian crews of ships. Of their efficiency, of their record in peace and in war, we can have no doubts at all, but when it comes to the question of officering the ships, a somewhat more difficult problem presents itself, and in order to solve that problem the Government of India established the Training Ship "Dufferin." Now, the record of what has been done by the "Dufferin" is by no means insignificant. Since it was established in 1927, 149 cadets have been trained for subsequent employment on ships as deck officers, as executive officers. Of these, 116 have already been employed by shipping companies, British and Indian, seven have entered the Bengal Pilot Service, and six have been admitted into the Royal Indian Navy. That, Sir, is a very respectable record for a training ship. It was also part of the original scheme that a certain number of Indian boys should be sent to the United Kingdom to receive a training in marine engineering so that ultimately they might qualify as engineers in ships in the mercantile marine. During the period 1929—1931 nine boys have been sent for such training but it has been realised that something more is wanted. The Honourable mover of the Resolution has enquired whether any advance has been made? I am in a position to tell him that with effect from the 1st of January a new scheme for the training of marine engineers in India has been brought into operation. Under this new scheme 25 engineering cadets will be admitted each year to the Training Ship "Dufferin" where they will undergo preliminary training for three years before passing out to engineering shops and finally into the engine rooms of the Indian mercantile marine.

Now, I have been at some trouble to explain that most of the steps that have been recommended from time to time have not been found acceptable by the Government of India and you may well ask me what alternative has the Government of India suggested? The policy to be pursued has been the subject of much thought by the Government of India and after much thought they have come to the conclusion,—they came to the conclusion some years ago,—that the best hope for the sound, economic, strong establishment of an Indian mercantile marine lay in the development of co-operation and a spirit of mutual accommodation between the various interests operating on the coasts. The Government of India have spared no pains to bring about such spirit of co-operation and mutual accommodation and the Government of India believe that the success they have achieved by their efforts are by no means inconsiderable. It is true that the Indian mercantile marine by one stroke of the pen in one instant, has not been able to acquire the whole of the coastal trade, but if the Honourable Mr. Shantidas Askuran, who knows more about it than most of us, will think back to the distressful days of 1919-20 and if he will think that last year the company in which he is interested carried 30

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per cent. of the most valuable portion of the trade, namely, that between Burma and India, he will agree with me that that is far from being an unsatisfactory achievement. He is also perfectly well aware that as a result of mutual accommodation and of a spirit of co-operation, that important section of the coasting trade on the west coast of India is now carried, and is guaranteed to be carried, by the smaller Indian shipping companies to the extent of 85 per cent. That again, Sir, is no mean achievement for the policy which has been pursued by the Government of India. I have said, Sir, that I have no intention of opposing this Resolution. But when it comes to the amendment moved by the Honourable Mr. Banerjee, I am afraid I must say that it has to be opposed.

I am not quite sure that I have not got a certain cause of complaint against the Honourable Mr. Banerjee. I have never known him in the past reluctant to use the power of interpellation which is open to Members of this House, but I think that he took advantage of the fact that he had moved a Resolution to ask me a very large number of conundrums. These I presume, Sir, were what he would regard as rhetorical questions. He did not expect any answer. But as regards one of them, namely, what is the amount of subsidies that are paid to shipping companies for the carriage of mails, I would reply that the Honourable Member is referred to Appendix XI of the Annual Report of the Indian Posts and Telegraphs Department. But, coming to the merits of his amendment, it may mean that for all the other steps that have been suggested to help the Indian mercantile marine, his particular suggestion should be substituted, that is to say, he believes that the Indian mercantile marine, given an economic payment for the service of carrying mails, will thereafter be in a position to maintain itself against the worst evils of competition on the coast. To refer again to my,—if I may call him so,—technical adviser for the afternoon, I ask Mr. Shantidas whether he would be prepared to accept that as a sufficient safeguard for his company or for any company?

THE HONOURABLE MR. P. C. D. CHARI: It may be accepted as one of the safeguards.

THE HONOURABLE MR. T. A. STEWART: I quite agree with my Honourable friend Mr. Chari that it might be acceptable as one of the safeguards, but the proposition put forward by Mr. Banerjee is that it is the only safeguard. Another interpretation of the amendment is that Indian companies should be encouraged by a wholly uneconomic subsidy. Now, I am surprised that my Honourable friend should have brought forward this proposition again. It is only two years ago, to within a week, that the Honourable mover of the substantive Resolution moved another Resolution regarding the giving of mail contracts to Indian companies, and in that debate, my Honourable friend Mr. Banerjee took part. The Honourable Mr. Shillidy was at some pains to explain that though the Government of India would always be prepared, in the event of a tender from an Indian company—and these mail contracts are open to tender—to accept the lowest satisfactory tender, yet Government would in no circumstances adopt a course which would increase the cost of postage to the taxpayer or which would mean a concealed subsidy and that they were not prepared to enter up a wholly fictitious item in the accounts of a commercial department. The attitude of Government has altered in no way since Mr. Shillidy replied to that debate of two years ago. The position is that while we are prepared to accept the Resolution of the Honourable mover, we must oppose the amendment of the Honourable Mr. Banerjee unless in the circumstances I have explained, he thinks fit to withdraw it.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BABADUR (Madras: (Muhammadan): Sir, while the Honourable the Commerce Secretary does not oppose the Resolution, he was at considerable pains to put forward arguments and state views which made it perfectly clear that so far as the Government of India were concerned, the early development of the Indian mercantile marine was not a practical proposition.

(At this stage, the Honourable the President resumed the Chair.

Sir, as regards the reservation of the coastal traffic, the Honourable Mr. Stewart said that to attempt to do this would be no better than trying to flog a dead horse. But may I ask, Sir, what the Government of India did while the horse was alive and kicking? What did the Government of India do for all these 11 years since the Report of the Indian Mercantile Marine Committee was published? What did they do to try and secure to Indian vessels—

THE HONOURABLE MR. T. A. STEWART: On a point of order, Sir. May I ask whether the Honourable Member's remarks are entirely relevant to the issue before the House? The Resolution refers entirely to any future action that may be taken by the Government of India, not to any action that has or has not been taken in the past.

THE HONOURABLE THE PRESIDENT: The Honourable Member would be entitled to make a reference to the past. I do not think I can stop him referring to the past.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BABADUR: The future conduct is always judged by what the conduct has been in the past, because the past is the parent of the future. So, from the utter lack of interest that was betrayed by Government in this respect—

THE HONOURABLE MR. P. C. D. CHARI: Active betrayal of interests, not utter lack of interest!

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BABADUR —we are afraid that even in the future, Government would not adopt measures which would go effectively to build up the Indian mercantile marine. We find that the Government hardly did anything to secure a decent share of the coastal traffic to Indian vessels all these 11 years.

As regards the question of subsidy, the Honourable the Commerce Secretary tried to make the proposition ridiculous by taking the example of countries like America which had always done these things on a very gigantic scale. We did not want that the Government should try and spend such huge sums of money as is possible for rich countries like America to do. What we wanted was that within the compass of the resources of the Government of India early attention should be directed to try and help the Indian mercantile marine, and with a view to make a concrete suggestion with regard to this demand, it was suggested by the Honourable Mr. Banerjee that Government should try and see their way to give the contract for carriage of mails to Indian ships. If it would be possible for Government to do this without much loss of money, I would even now suggest that this should be done. But for the fact that the life of the second Assembly had expired before the Haji Bill could be enacted into law, Government would have been forced to take effective measures to develop this Indian enterprise. But, Sir, I think it is not fair that they should take advantage of an accident to treat us in the way they have been doing.

[Saiyed Mohamed Padshah Sahib Bahadur]

Now, Sir, it was said that the best thing would be to try and bring about an understanding between the various shipping companies operating in Indian waters. That is not a practical proposition because it is not possible for an infant enterprise like the Indian shipping concerns to try and get fair terms from companies which have for long established their supremacy in Indian waters. Such understandings have been come to in the past but they have not tended to conduce to the healthy growth of Indian shipping, because we find that in the 15 or 16 years that the country has been trying to develop her enterprise in this respect it has not been able to make much headway. Of the coastal trade only 23 per cent. falls to the share of Indian companies while the rest is monopolised by foreign companies. So I feel that in these agreements the Indian companies are not free agents. The foreign interests are so overwhelming, so powerful and so well-established that they can dictate their terms to the Indian industry, which, simply in order to save its existence, is more often than not driven into agreements which are not in its interest. So, though it may not be possible for the Government to adopt the suggestion made in the amendment, I hope some other and effective methods will be employed to enable the Indian mercantile marine to build itself up more effectively.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Sir, it has been my lot during the last four years to find almost all the Resolutions moved by me being opposed by the Government. It is therefore very refreshing and gratifying to me to find that this Resolution of mine has been accepted by the Commerce Secretary, although it may be a qualified acceptance. In view of this I will not take up much of the time of the House in dilating on the various remarks the Commerce Secretary has made in the course of his speech, but will just make a few observations.

The Commerce Secretary has said that the reservation of the coastal trade of India for Indian shipping would be an unwise policy and would be administratively unworkable. It may be an unwise policy according to the Government of India, yet it is the policy which is being followed by almost all the maritime countries of the world. As regards its unworkability, I may say that it is greatly exaggerated as was shown during the debate on the Coastal Traffic Reservation Bill of Mr. Haji in another place in 1928.

Then, Sir, it has been said that the importance of coastal reservation will diminish as a result of the separation of Burma from India. With regard to that I would say that it will make it still easier to reserve the coast of India proper to Indian shipping, especially as the Commerce Secretary himself thinks that the trade which would be affected would be much less.

The Honourable Mr. Stewart has observed with regard to the question of subsidies that it will not be a reasonable proposition to ask the taxpayer to pay for these subsidies. But the amount that I proposed was very insignificant. I suggested a subsidy of Rs. 5 or Rs. 10 lakhs only to start with. I am sure that, when Government can find money for so many other things—for the restoration of the salary cut, for civil aviation, for broadcasting and for increased military expenditure—they can find some money to subsidise at least the key industries of India.

Now, Sir, we have been told what the achievements of the Government of India have been in regard to the development of the mercantile marine as a result of their policy. But may I ask the Honourable Mr. Stewart if he considers that a growth to the extent of 23 per cent.

of the coastal trade acquired by Indian shipping during the last 16 years as a result of the Government of India's policy a satisfactory rate of growth? Even if he does I would like to ask him now he proposes to expand Indian shipping in the future. I was waiting to know from my Honourable friend what the policy of the Government of India was going to be with regard to the development of the Indian mercantile marine in the face of the commercial safeguards that are going to be imposed under the new constitution, but the Honourable Mr. Stewart has chosen to remain silent on that point.

THE HONOURABLE MR. T. A. STEWART: Might I answer that at once, Sir, and say that if progress continues as it has in the past the safeguards in the Constitution Act will be absolutely of no importance at all. They will not operate.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: I am glad to have that assurance. In view of the fact that the Commerce Secretary has accepted the Resolution in principle, I hope the Government will allow it to be passed and that the House will carry it.

Now a word, Sir, with regard to the amendment moved by my Honourable friend Mr. Banerjee. The amendment seeks to substitute his Motion for my Resolution. But his amendment does not go far enough. It restricts the scope of my Resolution. In view of this, I hope that my Honourable friend will see his way to withdraw it, and if he does not withdraw it then I hope he will excuse me if I have to vote against it.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member wish to withdraw his amendment?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: No, Sir.

THE HONOURABLE THE PRESIDENT: As the Resolution, I understand, has been practically accepted by the Government, I will first put the original Resolution and not the substituted Motion to the Council.

Resolution moved:

"That this Council recommends to the Governor General in Council to take suitable steps to build up an Indian Mercantile marine at an early date with a view to an adequate participation of Indian shipping in the coastal and overseas trade of India."

The Question is:

"That that Resolution be adopted."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: In view of the original Resolution having been accepted by the Council the substituted Resolution falls to the ground.

MADRAS CITY HINDU TEMPLES BILL.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I beg to move for leave to introduce:

"A Bill to provide for the better administration and governance of Hindu temples in the city of Madras and the endowments attached thereto."

[Dewan Bahadur G. Narayanaswami Chetty.]

The Bill is intended to provide for the better administration and governance and closer supervision of the large number of temples in the city of Madras and to safeguard the proper application of their income. Sir, 3 P.M. Act XX of 1863 was found to be very inoperative and was not successful. The Madras Government introduced a Bill in the year 1922—the Madras Hindu Religious Endowments Act—and the Legislative Council thought that the city of Madras ought also to be included within the jurisdiction of that Act, and the Bill as amended by the Select Committee was passed by the Council. But when the Bill went to the Governor for his formal sanction, the Governor returned it saying that the local Legislature had no power to amend the jurisdiction of the High Court in the city of Madras. Hence the city of Madras was dropped from the Bill and the Bill was then passed. The Member of Government then said that they would ask the Government of India to take early steps to include the city of Madras by amending legislation in the central Legislature. Therefore, Sir, this Bill is brought forward for that purpose and I hope there will be no objection so far as the Bill is concerned. No doubt the Hindu Religious Endowments Bill has become law 10 years ago, but unfortunately the Government of Madras have not moved in the matter in asking the Government of India to take early steps to include the city of Madras within the jurisdiction of the Religious Endowments Board.

I shall now briefly refer to the main provisions of the Bill. To Members of this House unacquainted with the state of affairs in my presidency, I may state that under the Madras Hindu Religious Endowments Act, 1926, the general supervision of all Hindu religious endowments is vested in a central board consisting of a president and four commissioners appointed by the local Government. They are full-time officers. Under the Bill now under consideration it is this board that is given the power to supervise the administration of the temples in the city, to appoint non-hereditary trustees, to remove them for breach of trust, misappropriation or other proper cause, to order the audit of temple accounts and to see that the various objects with which the endowments were made are properly carried out. Care has been taken to enforce that no lawful usage or *mamool* obtaining in the religious institutions is altered or interfered with. No provision has been made—

THE HONOURABLE THE PRESIDENT: May I point out to the Honourable Member that at this state it is not necessary nor is it the usual practice to go into the details of the Bill and refer to old history. You can only refer to the statement of objects and reasons and make a few remarks only. You will have another opportunity at the consideration stage.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Sir, I shall not refer to old history. As I already mentioned, the city of Madras could not be included in the Bill on account of the jurisdiction of the High Court. Therefore the Bill was passed excluding the city of Madras on account of the Message sent by the then Governor Lord Willingdon. As I have already stated, we thought the Government of Madras would ask the Government of India to make this amendment as soon as possible, but nothing has been done. Hence I come before you to include the temples in the city of Madras under the supervision of the Religious Endowments Board.

Sir, I move for leave of the House to introduce the Bill.

The Motion was adopted.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Sir, I introduce the Bill.

RESOLUTION *RE* ESTABLISHMENT OF AN INDUSTRIAL COUNCIL.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Sir, I rise to move the following Resolution:

"This Council recommends to the Governor General in Council to take steps to establish an Industrial Council on the lines suggested by the Whitley Commission on Labour".

I would like first to refer to the death of Mr. Whitley, who was the President of the Royal Commission on Labour. He was a great Englishman, a great humanitarian, and he has rendered great services to Indian labour. Indian labour will always cherish his name with gratitude. Sir, one of the most useful commissions that was ever appointed by the Government was the Whitley Commission on Labour. That Commission reported in 1931 and one of the recommendations of that Commission was that steps should be taken by statute to establish an Industrial Council. Now, Sir, the question of this Council may be considered from three points of view, its need, its function and its constitution. Sir, the importance of labour in the modern world cannot be denied. India is becoming slowly industrialised and labour problems are getting more difficult and more acute. The old ideas of *laissez-faire* are over and the modern State is becoming increasingly interventionist. It is essential that legislative process for labour legislation should not be too slow and the constitution should be such as will make the common man, the worker, feel that he can achieve his end by working through and within the constitution. It is from this point of view that I would ask Honourable Members to approach the problem presented by my Resolution. Sir, in the course of their investigation, the Commission was much impressed with the defects of the present system of considering legislation regarding labour. We know in broad outlines the present system. After the idea of legislating on a particular matter is taken up by the Government of India the subject is first examined departmentally. If after this preliminary departmental examination the central Government considers that some legislation is necessary, then it formulates certain provisional views including a broad outline of the measure it has in mind and circulates them for opinion to the local Governments. Local Governments are asked in these circulars generally to consult labour and employer organisations and other public men and their own officers. The local Government on receiving this circular passes on this circular to district officers and other officials and non-officials and employers of labour and labour organisations. Then the officials to whom these letters are sent by the local Government in turn pass them on to their subordinates and other private individuals and public bodies for their opinion. The bodies or persons to whom these circulars are sent examine these proposals independently of each other and very often send written replies containing criticisms of the proposals. The provincial Secretariat when it receives these replies considers these replies carefully, scrutinises these replies, and in the light of opinions received it formulates its views and forwards them to the Government of India. The replies received from public bodies and individuals are often sent along with the criticisms of the provincial Governments. When all these replies have been received the Government of India considers them in detail; sometimes they are referred to the Advisory Committee of the Legislature attached to the department concerned. If and when after all these replies have been received, it is considered desirable to have legislation, then a Bill is introduced. Then it sometimes happens that a draft Bill is referred for public opinion before it is

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actually introduced in the Legislature but more often the circulation is after introduction in the Legislature. Then again local Governments are consulted, local Governments in turn consult their district officers and others interested in the questions raised by the Bill, replies come to the Government of India, the matter is placed before the Legislature, the Bill is referred sometimes to a Select Committee, and after the Select Committee has reported the matter is again taken up by the House in which the Bill originated, and if the Bill passes through the originating Chamber it comes to the other Chamber, and after both the Chambers are agreed, it is placed before His Excellency for assent, and that is the process. But even after the Bill has been assented to its operation is sometimes made dependent upon gazette notification. So there is some delay between the passing of a measure and its actual coming into operation. Now, Sir, it is right that legislative proposals in a vast country like India should be subject to careful and close scrutiny before they are actually adopted. Customs and conditions vary in different parts of the country and there is certainly need for full consideration before legislation is passed. There is certainly need to see that all the interests affected by a proposed legislation get an opportunity of considering and commenting upon the possible repercussions of the proposed measure upon their interests. But the procedure which I have just outlined and which the Whitley Commission outlined, is, as will be evident to everyone, a very slow one, and in labour matters it is essential that there should be speed in legislation. It is wasteful, as the Commission pointed out, of time and energy. But lack of speed is not the only or the principle defect of this procedure.

"The main weakness of the present system", say the Commission, "is that the only examination of proposals which most of those consulted are able to make is conducted independently in separate offices. So far as we can judge from the correspondence that has been supplied to us, much of the criticism is destructive, and many opinions are prepared without adequate material or a sufficiently wide view of the subject. It is, indeed, difficult for any one, who is unable to test his ideas in the light of the differing experience of others, to make constructive contributions to a complex proposal. Employers' representatives, workers' representatives and officials all suffer in the process by lack of contact with each other".

Now, Sir, the Commission therefore say that machinery is needed to bring the representatives of all these classes together to consider proposals in consultation with each other. Such machinery would result in the evolution in a shorter time and with a great saving of energy, of measures that would rest on a sound foundation of practical experience. Of course it is obvious that to a body like this no formal legislative powers can be assigned. The formal legislative powers must remain with the legislature and with the executive. But advisory and consultative functions can be assigned to a body like this and the Commission therefore say that the functions of this Industrial Council should be consultative and advisory. The ultimate decision in regard to any legislative matter or proposal must vest exclusively in the executive and the legislature. The advantage that they foresee is that a Council of this character would be able to focus in a clear and prominent manner the various economic forces in the country and thus be of material value in the evolution of wise and beneficent measures for the advancement of labour.

Sir, to this organisation the Commission would give the name of an Industrial Council. The organisation would have representatives of employers, it would have representatives of labour and it would have representatives of Government and some nominated members also. This is the constitution they propose. They suggest that the Council should not be unwieldy. It should be of a size which would enable individual members to make individual

contributions. They say that the Council should consist of 57 members exclusive of Burma. They suggest 13 Government members, three of whom would be representatives from the central Government, two each from Bengal and Bombay, and one from each of the other major provinces. They also suggest 17 employers' representatives, four of whom would be from Bengal, three from Bombay, two each from Madras, the United Provinces and Bihar and Orissa, one from each of the other major provinces and one from the minor provinces collectively. Then there are 17 labour representatives distributed similarly to the employers' representatives. Then there are to be two representatives of State railways, one of company-managed railways and three of railway labour, making six in all. And there are to be four nominated non-official members. They express the hope that one of the nominated non-officials will be a woman. I, Sir, would suggest that there ought to be more women in the Council. Also I would suggest that labour representatives should be elected by recognised trade unions or by labour constituencies which elect to the provincial legislatures. The employers' nominees should be nominated by recognised chambers of commerce and other employers' organisations for this purpose.

Sir, finally of course the recommendation of the Commission is that the Council should find a place within the framework of the constitution itself. Now, Sir, in addition to the representatives of the classes I have mentioned I think it is also necessary to have some representation from the Indian States. Labour conditions in Indian States, as we know, Sir, are very unsatisfactory, and one of the grievances of our industrialists is that if we force the pace in regard to labour legislation in British India industries will migrate to Indian States. Sir, some diplomatic pressure must be brought to bear on Indian States and they must be brought into this Industrial Council. Of course the Council would be, as I said, an advisory body. It would function as the International Labour Organisation functions. The representatives of Government at the Conference would find themselves to place the proposals agreed to at the Council before their respective Governments for ratification and there is therefore no danger to the Indian States in entering this Council. They would not be losing any of their sovereignty if they were to enter or take part in this Council.

Sir, so much for the constitution of the Council. How do I visualise the Council to work? The Council would meet annually. Its venue would be changed to different industrial centres annually. There would be a permanent Secretary-General and the President of the Council would be elected annually at each session. Legislative proposals would be referred to the Council by Government or would be initiated by the Council itself. It would have the power of initiating legislative proposals also. The Council would work out these proposals in detail, both in committee and in open conference. The proposals would ordinarily be considered at two successive sessions of the Council. At the first session, the Council would prepare a rough draft so that the public might be in a position to criticise the proposals and the members take their constituents into consultation. In the succeeding year, decisions would be taken by the Council. A Council of this kind would have the confidence of the Legislature, and indeed it would be desirable to have some representation of the Legislature also on the Council. So far as the budget of the Council is concerned, it should be met from central revenues and there should be a Standing Committee of the Council of two or three which might meet three or four times a year to prepare the agenda for the Council and to do all the spadework and the preliminary work for the open session of the Council. Consideration of legislative measures would not be the only function of this Council. We know,

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Sir, that in the modern State, the legislative process is very complicated. We pass a measure ; we give to the executive rule-making powers under the legislation, and these rules and regulations sometimes are of very great importance. You can make or mar a measure by your rule-making power. Now, Sir, the Council would have the power of advising Government on rules made under authority given to them by measures passed by the Legislature. Sir, we know from experience that rules under the Factories Act or the Workmen's Compensation Act or the Mines Act are of vast importance both to employers and workers, and the Executive Government, before it frames rules, will have the benefit of the advice of a Council which would have representatives of all the interests on it. Then, Sir, with provincial autonomy, there will be need for greater uniformity in labour legislation in future. Labour is going to be, as we know, both a concurrent subject and a provincial subject. There will be need hereafter for greater co-ordination in regard to labour matters. There will be need, with provincial autonomy, for a co-ordinating body which would preserve that unity of purpose and that unity of method which is vital to industrial progress.

Sir, the Commission say that no legislative authority should be given to the Council. But it ought to be laid down that in respect of any proposal for the adoption of general legislation, which has the support of two-thirds of Government members, it ought to be obligatory on provincial Governments within a specified time to submit the proposals to their respective Legislatures for decision as to their adoption or not. As for the method, the Commission visualise that the voting will be in separate compartments. The employers will vote as employers, workers will vote as workers, and Government will vote as Government. The Council could also be of use in the collection of statistics regarding labour and the co-ordination and development of economic research.

Sir, I would say that the present is a suitable time for taking up this question. The new constitution is going to be an extremely conservative one. We are going to have an executive which will be responsible to both the Houses, and the Council of State will have equal powers with the lower House. In the major provinces, there will be second Chambers. Therefore, Sir, there is need that organised labour should be given an opportunity of expressing itself in a constitutional manner. There is need that organised labour should be given an opportunity of making its influence felt in the Legislatures of the country, and it will benefit both the employers and the labourers if a machinery could be devised which would bring them together. We do not want labour to develop on western lines in this country. We wish to avoid class conflict. I think a Council of this character would help in the promotion of industrial peace.

Another point that must be remembered is that in the provincial second Chambers, as also in the central second Chamber, there will be no representatives of labour. Labour has not been given any special representation. The depressed classes, from whom most of our workers are drawn, have not also been given any representation in the provincial and the central second Chamber. Therefore, Sir, an organisation is very necessary which would give labour an opportunity of making its influence felt in the Legislatures of the country. Sir, we are living in a dynamic world. We are having rapid economic changes in all countries. In these days of rapid economic change, the very purpose of labour legislation might be defeated by long delay. To take one example of the present defective system, the present Trade Union Act was decided upon in 1921, but it was not actually put into force until 1926.

Similar is the case with draft Conventions of International Labour Organisations. One of the functions of this Council would be to advise on the ratification of these draft Conventions. Therefore, Sir, for all these reasons, in the interests of industrial peace, I would urge on this Council to accept this Resolution. The whole of our future constitution is in the melting pot, and therefore this is a suitable time for taking up this subject, because, the labour position in the new constitution should also be assured. For these reasons, Sir, I commend this Resolution to the acceptance of the House.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General): Sir, I heartily support the Resolution which has been so ably moved by my Honourable friend Mr. Saprū. He has detailed what he thinks should be the functions of this Industrial Council. We have had the Agricultural Council which has been doing very valuable work. India is steadily being industrialised and the industrial problem is coming more and more to the front and is becoming more acute. The real position is that labour in India is in a semi-organised state and there is a danger of labour playing into the hands of people who are interested in exploiting it. The creation of an Industrial Council with a proper constitution to ensure that the real representatives of labour have a voice in shaping the industrial policy ought to be welcome to the Government from this point of view. Labour being a provincial subject, as the Honourable mover has pointed out, there is a very great advantage in having co-ordination in the matter of provincial legislation relating to labour, while Government would be able to ascertain first hand from local representatives of labour and the employers their views on all questions. Thus the Council would serve a great purpose in bringing local and perhaps conflicting interests to a common centre for discussion. Also we cannot in India slavishly follow western methods in our industrial and labour policy. We have to evolve a policy of our own having regard to the needs of India, and the creation of this Council will go a long way in developing a really national labour policy.

Then another important function of this Council will be to advise in the matter of framing regulations under various enactments. As the mover pointed out, very much depends upon these regulations and the way in which they are worked, and this Council will enable those who know where the shoe pinches to give their views, and the regulations can be framed or altered according to the real needs of labour.

Then, Sir, we in Burma feel that unless there is a proper convention as regards the immigration of Indian labour into Burma, it will become a serious problem hereafter, just as it is in other countries where Indian labour is largely employed. This Industrial Council could serve a great purpose in bringing into the purview of its discussion and arriving at decisions matters relating to Indian labour overseas, and I welcome the Council on this score because it will give a great opportunity of co-ordinating efforts as between the Government of India and the representatives of labour in this country.

Sir, with these words, I heartily support this Motion.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I rise to support this Resolution moved by my Honourable colleague Mr. Saprū. While I am in general agreement with his Resolution, I wish to safeguard ourselves from giving any total approval to the scheme as prepared by the Labour Commission. The reason for that is, that when this scheme was propounded by the Commission the present difficulties had not cropped up. Then we did not know of a Governor General acting at his

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discretion or of a Governor acting in his discretion. This new term has been imported by the new constitution scheme, and it is quite possible that wherever the word "Government" comes in this clause may be construed to enable him to act on his own initiative. I wish to safeguard that contingency.

With this reservation, I wish to emphasise the urgent necessity for co-ordinating efforts for the amelioration of the lot of the workers. The Government has no doubt brought forward measure after measure for the well-being of labour, but it has been a standing complaint of labour and its sympathisers that whatever has been done has been done a little too late. I would remind the House of the fact that when the hours of work was under discussion in the Simla session we entered our protest that it was too late in the day to fix 54 hours a week, when all the rest of the world had moved to 48 or 42 hours a week. Similarly, when we discussed the Trade Disputes Act, I pointedly drew the attention of the Honourable Industries and Labour Secretary to the fact that when the Bill was circulated to provincial Governments they were unanimous on two points. One was that the Act should be made permanent, and the other was that the Act should be amended, although opinions differed on the particular amendments which ought to be made. The Government acted on one of the recommendations and made the Act permanent, but without bringing forward the necessary amendments which would give life to it, with the result that the Act is very nearly a dead letter. One year has passed and no Bill has been brought forward yet. We have to see whether in the second year the Government will do anything.

Now, Sir, attention has been drawn to the tendency in labour legislation whereby enormous rule-making powers are vested in the executive Government. That is also one of our standing complaints, that the House or those who are concerned do not get an opportunity of scrutinising those rules and regulations. I would again remind the House that when the Dock Labourers Bill was on the legislative anvil we found that the letters (a) to (x) were exhausted in setting out the powers given to the executive to frame rules. As a matter of fact the Bill was not a legal enactment setting out the law on the subject, it was just a measure enabling the executive to frame laws by rules and regulations. If those rules are framed in a spirit of help towards labour, well and good; but if they are not, the Act is entirely negative.

THE HONOURABLE THE PRESIDENT: Are they not published in the Gazette of India?

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, they are published in the Gazette of India, but no opportunity is given to the central Legislature, as is given to the House of Commons in the case of similar regulations, to discuss the proposed regulations, nor is opportunity given to the industries concerned to have their say. It is very difficult to have rules and regulations framed by the Government defeated or thrown out. It is impossible to do it in this House.

THE HONOURABLE MR. D. G. MITCHELL: Honourable Sir, may I explain as regards the Dock Labourers Bill that the very elaborate rules to be made are already framed. They are part of the International Convention.

THE HONOURABLE MR. HOSSAIN IMAM: That reminds me of another thing. Whenever the Government wants not to act on an International Convention the easiest method they have found is to bring that Convention before the House and get it rejected. That shows how far International Conventions have been effective in doing anything good for labourers in India.

Now, Sir, coming to the merits of the Industrial Council, the great thing is that it brings the representatives of employers and labour together. That is a move in the right direction. As long as these interests are kept in water-tight compartments, the extremist tendency of each party will prevail. It is only when they come in contact that labour knows the difficulties of the capitalist and the capitalist are made aware of the difficulties of living of labour and a real rapprochement will be established. It is more by bringing them together that you will facilitate industrial development than by making all these rules and regulations. The great requirement at present is that these two sides which have been always at war should unite; without unity they cannot succeed. As long as this state of affairs in which every one is out to have his pound of flesh continues, there will be no prosperity. Even England is suffering from this tendency of warring interests of labour and capital. Europe has had to go to extremes. We have Soviet Russia where there is no capitalism. Then we have a Fascist State in Italy and so on and so forth. We find that there is consciousness in the world to compose the differences between these two bodies, and one of the steps which will go a long way in establishing good relationship between labour and employer is to have a council where they will meet round the table, discuss matters and come to an agreement.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Mr. President, I wish to endorse whole-heartedly the remarks made by my Honourable friend regarding the late Right Honourable Mr. J. H. Whitley. The extent to which he won both the admiration and the affection of all with whom he came in contact during his labours in India—men of all classes, of all creeds and of all shades of opinion—was quite remarkable. I cannot do better than repeat a claim very recently made by Lord Halifax that the work Mr. Whitley did on the Commission is likely to influence more than the work of any other single man, the future of Indian industrial development.

Sir, I was somewhat disappointed with the speech of the Honourable mover of this Resolution. After opening with a lengthy passage on the subject of legislative delays he himself delayed this House for fully 25 minutes before he got down to the gist of his own Resolution. He entertained the House with a somewhat elaborate paraphrase of the recommendations of the Whitley Commission, with which, I think, all who are at all interested are already sufficiently acquainted. One aspect of those recommendations, however, he does not appear to have realised fully, that is, though the Commission made some very definite recommendations they made them definitely and pronouncedly in regard to the future constitution, and nowhere have they made any strong recommendation that this council should be established at once. They seem to have had in their minds the danger that such control as at present exists at the centre our labour legislation and labour matters generally might under the future constitution, under a system of autonomous provincial Governments, be relaxed; and in view of that danger, which I

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think chiefly occupied their minds, they put forward certain very definite proposals. For instance, they say in one place :

"Hitherto we have been discussing the Council with central legislation in view. If, however, labour legislation is to be decentralised to any extent, the need of some co-ordinating body will be imperative. The withdrawal of the unifying force exercised by the central Legislature and executive would give much greater urgency and importance to any machinery that can do something towards securing the same end".

I do not deny that the Commission did see the possibility of the establishment of an Industrial Council of this kind before the introduction of the new constitution. Indeed in one place they say :

"We recommend that, when the new constitution is framed, the Council, whether it has been established by that time or not, should find a place within the constitutional structure".

They therefore envisage the possibility of the establishment of this Council before the introduction of the new constitution. Nevertheless, their minds were engaged chiefly with the dangers of what might happen if central control were relaxed under the new constitution. In the event, the fears of the Commission have not been realised. As one of my Honourable friends on the other side has remarked, labour subjects will be in the concurrent field, which means that the central Legislature will still have powers of control by legislation. Further than that, they lie chiefly within Part II of the Concurrent List, which means that the central executive authority will have power by executive order to enforce legislation on these subjects. As regards the constitution of the Council, provision has been made in the Bill, which I daresay most of my Honourable friends have noticed, in clause 133, whereby when it appears to His Majesty, upon consideration of addresses presented to him through the Governor General from any Legislatures in India, that the public interests would be served by the establishment of an Inter-Provincial Council charged with certain duties (which would include the duties that would fall upon an Industrial Council), it shall be lawful for His Majesty in Council to establish such a Council, and to define the nature of the duties to be performed by it and its organisation and procedure. The danger therefore which the Whitley Commission feared has not been realised.

I am not here to dispute the desirability of the establishment of such an Industrial Council. No one would attempt to deny that a Council of some sort, whether on these or on other lines, would be of very great value indeed to India. The point that I wish chiefly to make is that there is no very great hurry about it. In view of the particular form of the recommendations of the Commission, the Government of India placed this question of the Industrial Council somewhat low down in the list of precedence. As all Honourable Members know, the Royal Commission made an enormous number of very important recommendations. These had to be dealt with more or less on a list of priority. It was impossible to undertake the whole of the work recommended by the Commission at once. Honourable Members will also admit that an enormous amount of very valuable work has been done, and, if they will peruse the blue book which was circulated recently, they will see that a very considerable amount of very important work still remains to be done. For this reason the Government of India do not propose at present to undertake this work, but will defer it until several more important subjects have been dealt with. I need refer Honourable Members only to two subjects, the primary importance of which they will certainly admit. I refer to the very important and intricate affair of the unregulated factories as one instance,

and to the question of trade disputes, which was referred to by the Honourable Mr. Hossain Imam, as another. I may add that there are many others, as Honourable Members will see if they peruse the blue pamphlet which was issued a few days ago.

Now, then, looking at this proposition calmly I can see some other reasons why there should be no particular hurry about the establishment of this Industrial Council. If we were to establish it now, it would have to be overhauled in the not very distant future on at least two occasions. The first would be on the establishment of autonomous provinces. We could not set up an Industrial Council now which we could regard with any prospect of success as being acceptable to an entirely different frame of provincial Government. Honourable Members know that these subjects are entirely within the provincial sphere of administration, and the present form of Government, split dyarchically, answerable to a legislature elected on a narrow franchise, is not likely to have the same views as an autonomous Government answerable to a legislature with a much broader franchise. The next occasion on which there will be need for revision would be upon the establishment of federation when entirely new provisions will have to be made to meet the case of the Indian States. I therefore suggest to the House that we might at least wait until the autonomous provinces have been constituted. We could then undertake the examination of this question upon the advice of Governments responsible entirely to the new legislatures.

Another reason why there is no particular hurry is that the Royal Commission itself examined, and examined in great detail and with great thoroughness, all the outstanding labour questions which came before them in the years 1930 and 1931. They made, as I have said before, a great mass of very important suggestions. These are still being considered. If we were to establish an Industrial Council now we would in effect be establishing another Commission in permanent session. I have no doubt that they would do extremely valuable work, but the Government of India itself has not the time or the staff to deal with more problems than are now engaging its attention in connection with labour.

I would therefore suggest to my friend that he should recognise Government's very practical difficulties in this matter and should realise that in the end we would probably get a better Industrial Council if we wait and consult the new Governments. And I would suggest to him that he should not press on us this very difficult and laborious work at a time when this department is already fully engaged with other matters which in my opinion are even more important.

THE HONOURABLE MR. P. N. SAPRU : Sir, the Honourable Mr. Mitchell has not opposed the idea of an Industrial Council. What he says is that

this is not a suitable time for dealing with the matter and that it ought really to be taken up after the new provincial Governments have been set up. He further says that the department has got very heavy work just now in connection with the other recommendations of the Labour Commission and that this is one of those recommendations which can wait. Now, Sir, there is this difficulty, that my reading of the new constitution is not the same as the reading of my friend the Honourable Mr. Mitchell. I do not know, Sir, whether it would be possible for these new Governments to take up this question at all. Constituted as they would be, they would be very conservative. Even in the provincial Governments we are going to have second Chambers and there may be other factors, in operation and we do want, before provincial Governments are brought into

[Mr. P. N. Saprū.]

actual existence, a co-ordinating body so that the work which the central Government has done so far for labour might be preserved. In view of this consideration I am not disposed to withdraw my Resolution, though I recognise the sympathetic tone of Mr. Mitchell.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to take steps to establish an Industrial Council on the lines suggested by the Whitley Commission on Labour".

The Question is:

"That this Resolution be adopted."

The Council divided:

AYES—7.

Banerjee, The Honourable Mr. Jagadish Chandra.	Naidu, The Honourable Mr. Y. Ranganayakalu.
Chari, The Honourable Mr. P. C. D.	Saprū, The Honourable Mr. P. N.
Hossain Imam, The Honourable Mr.	Sinha, The Honourable Kumar Nripendra Narayan.
Jagdish Prasad, The Honourable Rai Bahadur Lala.	

NOES—22.

Basu, The Honourable Mr. Bijay Kumar.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Charanjit Singh, The Honourable Raja.	Mitchell, The Honourable Mr. D. G.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Devadoss, The Honourable Sir David.	Philip, The Honourable Mr. C. L.
Ghosal, The Honourable Mr. Jyotsnanath.	Russell, The Honourable Sir Guthrie.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.	Spence, The Honourable Mr. G. H.
Glass, The Honourable Mr. J. B.	Stewart, The Honourable Mr. F. W.
Glancy, The Honourable Sir Bertrand.	Stewart, The Honourable Mr. T. A.
Hallett, The Honourable Mr. M. G.	Tallents, The Honourable Mr. P. C.
Johnson, The Honourable Mr. J. N. G.	Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sir.	Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, Government will have no business to place before the Council between now and Wednesday next, which as Honourable Members are aware, is a non-official day. But I take the opportunity of informing Honourable Members that there is a possibility of Government business being brought forward on Thursday, the 14th of March.

THE HONOURABLE THE PRESIDENT: With reference to the announcement that has just been made, I have to inform the House that in the event of the Council meeting on the 14th March the elections for the Standing Committee on Roads, the Standing Advisory Committee for the Indian Posts and Telegraphs and the Standing Committee of the Department of Commerce will take place on that day and will be conducted by means of the single transferable vote.

The Council then adjourned till Eleven of the Clock on Wednesday, the 13th of March, 1935.

COUNCIL OF STATE.

Wednesday, 13th March, 1935.

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

MEMBER SWORN:

The Honourable Major-General C. A. Sprawson, C.I.E., K.H.P. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

RELEASE OF PANDIT JAWAHAR LAL NEHRU AND OTHER CIVIL DISOBEDIENCE PRISONERS ON THE OCCASION OF THE SILVER JUBILEE CELEBRATIONS.

71. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Will Government be pleased to state whether they intend to release Pandit Jawahar Lal Nehru and other civil disobedience prisoners on the occasion of the Silver Jubilee of His Majesty the King Emperor?

THE HONOURABLE MR. M. G. HALLETT: Government have decided that grant of clemency to prisoners in the form of release and remissions of sentences should not form part of the celebrations in connection with the forthcoming Silver Jubilee of His Majesty the King Emperor. The release of the prisoners referred to does not therefore arise.

13-UP EXPRESS, EAST INDIAN RAILWAY.

72. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) Is it a fact that 13-Down East Indian Railway Express arrives at Hathras Junction at 3.33 A.M.?

(b) Is it a fact that there is a Bombay, Baroda and Central India train leaving Hathras carrying passengers for Agra Fort, Muttra, Brindaban and other places of pilgrimage at 3.43 A.M.?

(c) Have Government received and do they propose to take any action on representations that passengers arriving by the East Indian express and desiring to proceed by the Bombay, Baroda and Central India train often fail to catch the connection?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) Not 13-Down, but 13-Up.

(b) Yes, but the train terminates at Agra Fort.

(c) Government have not received any representation.

I am, however, sending a copy of the Honourable Member's question to the Agent, Bombay, Baroda and Central India Railway, for consideration.

RESEARCHES MADE BY THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH
IN THE FIELD OF INDIAN AGRICULTURAL PRODUCE.

73. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :

(a) Is it a fact that the Imperial Council of Agricultural Research have made several researches in the field of Indian agricultural produce? If so, will Government be pleased to lay on the table a list of such researches?

(b) Will Government be pleased to state what steps they have taken so far to make the results of such researches known to the village agriculturists?

(c) Do Government propose to print the results of such researches in all the principal vernaculars of the country and distribute them free to all the villages in India through the agency of zemindars and other suitable Government agencies concerned?

(d) Have Government ever circulated to the villages the results of such researches printed in vernaculars? If not, why not?

(e) Will Government be pleased to state whether the Imperial Council of Agricultural Research was established solely for the purpose of educating the village agriculturists about producing better crops both in quantity and quality? If so, what measures have they adopted up till now since the creation of the Council in broadcasting the results of their researches?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN :
(a) Yes. A list of the schemes for which grants have been made by the Council is available in the Library of the Legislature. Further details will be found in the annual reports of the Council, copies of which are regularly placed in the Library.

(b), (c) and (d). The results are published in the three journals issued by the Imperial Council of Agricultural Research. Vernacular pamphlets describing the results of agricultural research are freely issued by provincial agricultural departments. The Council issued vernacular editions of its bulletin on locust control.

(e) No. The principal objects of the Imperial Council of Agricultural Research are defined in its memorandum of association, a copy of which is available in the Library. The results are made available in the English language by means of the Council's scientific monographs, journals and occasional bulletins on special subjects. Necessary steps are taken by local Governments to bring the practical application of successful research work to the cultivator.

RESULT ON POSTAL REVENUES DUE TO REDUCED CHARGES ON LETTERS,
ETC., DURING 1934.

74. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :

(a) Will Government be pleased to state whether by the reduction of postal charges on letters during the year 1934 the postal revenues have increased? If so, what is the net increase in the revenue derived from this lowering of charges on letters?

(b) Will Government be pleased to state the total revenue derived from

(i) the sale of one anna postage stamps including revenue and one anna envelopes from 1st April, 1934 to 31st December, 1934?

(ii) the sale of 5 pice postage stamps and 5 pice envelopes during the same period?

(c) Will Government be pleased to state the revenue derived from the sale of five pice envelopes from the 1st April to 31st December, 1933?

THE HONOURABLE MR. D. G. MITCHELL : (a) As no separate account of the sale proceeds of envelopes or of stamps used on letters is maintained, it is impossible to give accurately the information required by the Honourable Member. Enumerations taken in August, 1933 and in August, 1934, would point to an increase of about 9 per cent. in the total traffic, much of which probably occurred in the half tola letter. Part of the increase was probably due to the lower rate, but part must be ascribed to the general economic recovery. When the reduction in postal rates was announced last March it was expected to produce a loss of about Rs. 27 lakhs, as it was assumed that about 80 per cent. of letters would come within the initial half tola weight. Special enumerations taken last July and November showed that, up till then at least, this figure was much too high. The best answer I can give to the Honourable Member is that the introduction of the half tola letter for one anna has not caused any substantial loss or gain in the postal revenue of the current financial year.

(b) and (c). Government are unable to supply the information asked for as no separate account is maintained of such sales.

THROUGH TRAIN BETWEEN LUCKNOW AND DELHI *via* MORADABAD.

75. THE HONOURABLE MR. P. N. SAPRU : (a) Is it a fact that there is no through train between Lucknow and Delhi *via* Moradabad?

(b) Have Government received complaints that the absence of a through train between the two places referred to in (a) causes much inconvenience to the third and inter class passengers?

(c) If so, do Government propose to introduce a through train? If not, why?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes.

(b) No.

(c) Does not arise.

REMOVING OF INTER AND THIRD CLASS COMPARTMENTS BETWEEN LUCKNOW
AND DELHI *via* MORADABAD.

76. THE HONOURABLE MR. P. N. SAPRU : (a) Is it a fact that till three or four years back some inter and third class compartments used to run direct between Lucknow and Delhi *via* Moradabad?

(b) Why was this practice discontinued?

(c) Do Government propose to reintroduce the practice? If not, why?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) A through service inter and third class bogie carriage was run between Lucknow and Delhi *via* Moradabad from September, 1928, and was extended to run to and from Cawnpore instead of Lucknow from September, 1929 to February, 1930.

(b) The running of the carriage was discontinued due to the traffic offering not being sufficient to justify its continuance.

(c) I am asking the Agent, East Indian Railway, to re-examine the position with a view to the re-introduction of the previous arrangement if the figures of traffic now offering justify it.

HOLDING OF THE INDIAN CIVIL SERVICE EXAMINATION ON JUMMA-TUL-WIDA AND ID-UL-FITTAR HOLIDAYS.

77. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Will Government be pleased to state whether it is a fact that the Indian Civil Service examination in 1934 was held on the days of Jumma-tul-wida and Id-ul-Fittar which being important festivals of Muslims are gazetted holidays?

(b) Is it a fact that a deputation of Muslims waited on a high Government official to protest against holding such examinations on holidays? If so, was any assurance given by the said official to the deputationists?

(c) Is it a fact that the last Civil Service examinations were also held on the same holidays, i.e., Jumma-tul-wida and Id-ul-Fittar?

(d) Is it a fact that the Muslim press strongly protested against this practice and that several meetings were held and telegrams sent to His Excellency the Viceroy and the Members of the Executive Council requesting their intervention in the matter? If so, why was no attention paid to this agitation?

THE HONOURABLE MR. M. G. HALLETT: (a) The answer to the first part of the question is in the affirmative. Each of the two possible days on which the *Id* might have fallen was kept free until 2 o'clock in the afternoon. As regards the Jumma-tul-wida, it was not a "closed" holiday in the Government of India.

(b) A deputation waited on the Home Member in 1934 and he agreed to look into the matter.

(c) Yes, but arrangements were again made to leave the two days on which the *Id* might fall free until 2-30 P.M.

(d) I am prepared to accept the Honourable Member's statements as correct. Full consideration is always shown for the religious susceptibilities of candidates of all communities in fixing dates for the examinations conducted by the Public Service Commission, but it is not possible to change the dates at a late stage without dislocating the arrangements for long drawn out examinations like the one for the Indian Civil Service.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Why were these two days, for the Jumma-tul-wida and Id-ul-Fittar, declared as holidays by the Government?

THE HONOURABLE MR. M. G. HALLETT: I cannot say what the exact reasons are but I presume they are observed as holidays following precedent.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Is it not because they are considered very sacred by Muhammadans that Government declared them as holidays?

THE HONOURABLE THE PRESIDENT: That is a mere expression of opinion.

NUMBER OF GLASS FACTORIES IN INDIA.

78. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Will Government be pleased to state:

(i) The number of glass factories in India, where they are situated and in what provinces?

(ii) Which of these glass factories are producing sheet glass?

(iii) The number of glass factories in India which have closed down during the last five years, the kind of glass they used to manufacture and the causes which led to the closing down in each case?

THE HONOURABLE MR. T. A. STEWART: (a) I lay on the table a statement showing details regarding glass factories in India which were reported to be in existence when the Tariff Board enquired into the question of protection to the glass industry in 1932.

(b) So far as the Government of India are aware there is only one factory in India, viz., the United Provinces Glass Works, Limited, Bhajoi, which is manufacturing sheet glass. Another factory, viz., the Allahabad Glass Works, Naini, is, however, also equipped with a machine for the manufacture of figured or ribbed sheet glass.

(c) The Government of India have no precise information on this point.

Statement showing the details of glass factories in India, which were reported to be in existence when the Tariff Board enquired into the question of protection to the Glass Industry in 1932.

Punjab—

The Upper India Glass Works, Ambala City.

United Provinces—

United Provinces Glass Works, Limited, Bahjoi, Moradabad.
Allahabad Glass Works, Naini, Allahabad.
The Indian Glass Works, Firozabad.
The Coronation Glass Works, Firozabad.
The P. M. J. P. Friends Glass Works, Firozabad.
The Bhanni Lal Glass Works, Firozabad.
The Hanuman Glass Works, Firozabad.
The Nizamuddin Glass Works, Firozabad.
Kadir Bux Sikander Bux Glass Works, Firozabad.
Sadulla Shahabuddin Glass Works, Firozabad.
Shahabuddin Riazuddin Glass Works, Firozabad.
Abdul Rahman Abdul Ghani Glass Works, Firozabad.
Ustad Karim Bux Glass Works, Firozabad.
Gauri Shanker Dau Dayal Glass Works, Firozabad.
The Lakshmi Glass Works, Firozabad.
Bhure Gulsher Glass Works, Firozabad.
Vidya Ram Ram Swarup Glass Works, Firozabad.
Bhajan Bihar Lal Magan Bihari Lal Glass Works, Firozabad.
Mool Chand Mahandra Singh Glass Works, Firozabad.
Ram Chand Roshan Lal Glass Works, Firozabad.
Asa Ram Rati Ram Glass Works, Firozabad.
Panna Lal Ram Prakash Glass Works, Firozabad.
The Ganga Glass Works, Limited, Balavli.
The Krishna Glass Works, Hathras Junction.
Ten other glass factories of which the details are not available.

Bengal—

Bengal Glass Works, Limited, Dum Dum Cantonment, Calcutta.
 Calcutta Glass and Silicate Works, Limited, Calcutta.
 M. N. Mehta Glass Factory, Calcutta.
 Bharat Glass Works, Calcutta.
 Hardeo Glass Works, Dacca.
 The Para Glass Works, Ramraj-talla.
 The Belighata Glass Works, Calcutta.
 Four other glass factories of which the details are not available.

Bombay—

Ogale Glass Works, Limited, Ogalevadi.
 Paisa Fund Glass Works, Poona.
 Kandivli Glass Bangle Factory, Bombay.
 Messrs. Joosub Peerimahomed and Company, Bombay.
 The National Glass Works, Mazgaon.
 The Central Bottle Works, Kurla.
 The Bombay Glass Beveling Company, Bombay.
 Gompitpur Glass Works, Ahmedabad.
 One other glass factory of which the details are not available.

Central Provinces—

Onama Glass Works, Gondia.
 The Nagpur Glass Works, Nagpur.

Bikanir—

One glass factory of which the details are not available.

His Exalted Highness the Nizam's Dominions—

One glass factory of which the details are not available.

STATEMENT LAID ON THE TABLE.**NUMBER OF INDIGENOUS MATCH FACTORIES IN INDIA.**

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I lay on the table the information promised on the 25th February, 1935, in reply to part (b) of the Honourable Mr. Jagadish Chandra Banerjee's question No. 48.

(b) A list of indigenous match factories in British India, together with a statement showing the provincial shares of the total revenue (excluding licence fees) collected during the ten months ending January, 1935, is enclosed herewith.

List of indigenous match factories in India.

(Excluding those under the control of the Swedish Match Company.)

Bengal—

1. Jalpaiguri Industries, Ltd.
2. Chattal Match Factory.
3. Jagannath Match Factory.
4. Tajmahal Match Factory.

STATEMENT LAID ON THE TABLE.

5. Prasanna Match Factory.
6. Murshidabad Match Factory.
7. Pioneer Match Factory.
8. Bangia Diasalai Karyalaya.
9. Esavi India Match Manufacturing Co.
10. Dharamsey Match Co.
11. Rampuria Match Works.
12. Calcutta Match Works.
13. Calcutta Match Industrial Works.
14. Wazir Ali & Sons Match Factory.
15. Mohanlal Ramchandra Match Factory.
16. Domestic Match Factory.
17. Hydari Match Co.
18. Haji Abdur Razzaq Match Factory.
19. Nikunja Behari Mukherjee Match Factory.
20. Dayamoiee Chemical Works.

Madras—

1. K. Narayana Pillai's Match Factory.
2. M. Ramaswamy Pillai's Match Factory.
3. C. B. Kottandaraman Match Factory.
4. Vijaya Match Factory.
5. Swarajya Lakshmi Indian Match Co.
6. Parbatipur Industries.
7. The Flower Match Works.
8. Shul.
- 8(a). Shunmuga Vilas Match Factory.
9. Krishnama Naidu's Match Factory.
10. Money Match Works.
11. Karunambikai Match Factory.
12. K. M. Arumuga Mudaliar's Factory.
13. Swan Match Factory.
14. K. A. Narayanaswami Mudaly Match Factory.
15. K. M. Balasundara Mudaliar and Sons Match Factory.
16. P. V. Parthasarathy Mudaly Match Factory.
17. Sarada Match Factory.
18. K. K. Doraiswamy Mudaliar Match Factory.
19. P. Natesa Pillai's (Valangiman) Match Factory.
20. Jailaniya Match Factory.
21. Ahmediya Match Factory.
22. Somasundaram & Co. Match Factory.
23. Danalakshmi Match Factory.
24. Chenbagam & Co. Match Factory.
25. Thangamari & Co. Match Factory.
26. Ratna Vilas Match Company.
27. The Indian Match Co.
28. Gloria Match Co.
29. Choecker Match Co.
30. Lokambikai Match Factory.
31. Dhanam Match Factory.

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32. Olkam Match Factory.
 33. Sinniah Nadar & Sons Match Factory.
 34. Lakshmi Match Factory.
 35. Mandiramurthi Match Factory.
 36. Cunniah Co. Match Works.
 37. The East India Match Co.
 38. The Emperor Match Co.
 39. The Perumal Match Works.
 40. Nazareth Swadeshi Match Works.
 41. Quadiria Match Works.
 42. Bula Match Works.
 43. Minakshi Match Works.
 44. Siriapushpam Match Factory.
 45. Muruganandam Match Factory.
 46. Pope the King Match Factory.
 47. Barathamatha Match Works.
 48. Palraj Match Factory.
 49. Muruganandam Match Factory.
 50. Thannuthu Match Factory.
 51. Industrial Home.
 52. Sri Krishna Colour Matches.
 53. Palghat Match Works.
 54. Kerala Union Match Works.
 55. The National Match Works.
 56. Brilliant Match Works.
 57. South Indian Match Co.
 58. Vincent Match Co.
 59. Ramiah Match Works.
 60. Sivakashi Kaleswari Colour Matches.
 61. Gnanier Match Works.
 62. Bharathi Match Works.
 63. Natarajan Match Factory.
 64. Rajendran Match Factory.
 65. West Coast Match Co.
 66. Henry Match Factory.
 67. Kamala Match Factory.
- Bombay—*
1. Gujarat Islam Match Mfg. Co.
 2. Visnu Match Works.
 3. Bombay Match Works.
 4. Kurla Match Works.
 5. Swadeshi Match Mfg. Co.
 6. Santa Cruz Match Works.
 7. Central India Match Co.
 8. Thana Match Works.
 9. Chalisgaon Match Works.
 10. Hindustan Match Works.
- Punjab—*
1. The Starlight Match Factory.
 2. The Mahalakshmi Match Factory.

STATEMENT LAID ON THE TABLE.

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Burma—

1. Adamjee Hajee Dawood and Co.
2. Eastern Asiatic Match Co.

Central Provinces—

1. The Amrit Match Factory.

United Provinces—

Assam } Information not available.
Delhi }

*List of match factories in India under the control of the Swedish Match Company.**Bengal—*

1. Western India Match Factory.

Madras—

1. Western India Match Co., Ltd.

Bombay—

1. Western India Match Co. (Ambernath Match Factory).

United Provinces—

1. Western India Match Co.

Burma—

1. Burma Match Co. (Kanaung Factory).
2. Burma Match Co. (Mandalay Factory).

Assam—

1. The Assam Match Co., Ltd.

Statement showing excise duty on matches (excluding licence fees) collected in each province during the period from April, 1934 to January, 1935.

Province.	Excise duty collected. (Thousands of rupees.)
Madras	12,34
Bombay	24,81
Bengal	32,52
United Provinces	8,80
Punjab	1,91
Burma	28,98
Central Provinces	32
Assam	2,92
Delhi	7
Total	1,12,67

RESOLUTION RE UNEMPLOYMENT.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, I beg to move the following Resolution:

"This Council recommends to the Governor General in Council to take adequate and effective steps to relieve unemployment in the country".

[Rai Bahadur Lala Jagdish Prasad.]

Sir, it is an undisputed fact that unemployment is rampant in the country and the problem is assuming an acute form day by day. If there is any difference between the official and non-official viewpoints on this subject, it is, I believe, only about the extent to which unemployment prevails and not about its very existence. Even the Honourable Sir Frank Noyce, the Member of the Government of India for Industries and Labour, admitted the existence of this problem as lately as just a month ago in another place although the degree of unemployment might according to him vary with the different classes of people inhabiting the country. Sir, it is evident that this problem of unemployment is not only confined to our educated young men or to the middle classes but is also affecting the masses. In fact, we believe that it is even sapping the morale of the people and is becoming a source of danger to peaceful growth of the society. It is not unusual to hear of our young men putting an end to their very lives, than which there can be nothing more precious in this world, out of disgust and disappointment resulting from unemployment. It was only the other day that I read in the *Hindustan Times* of the 10th instant that, as a result of long unemployment, a Bengali youth who belonged to a respectable family of Lucknow in my province committed suicide by throwing himself before an engine which passed over him. This is only a recent instance of a young man driven to exasperation but such examples are by no means rare. A majority of our young men after finishing their school or college career are faced with the problem as to what they should do in order to earn a decent living. They are obliged to go from pillar to post and post to pillar in search of employment but no one is there to tell them a practical solution of their difficulty. Is it not a sad tale of woe with which we are all so familiar and is it not but natural that under such a condition of things the people should look up to the State for a solution of the problem which is assuming such gigantic proportions? In December, 1933 the Right Honourable Sir Tej Bahadur Sapru in his Convocation Address at the Allahabad University, the Honourable Sir Shadi Lal in his address at the Convocation of the Punjab University and Sir Sivaswamy Aiyer in his address at the Lucknow University, all about the same time with almost one voice dwelt on the growing menace of unemployment among the graduates and observed that the Indian universities should try to divert the youthful energies of the increasing number of graduates into more useful channels by giving them vocational education and a practical outlook, and one of them advised the State to give serious consideration to the economic development of the country and to measures leading to the establishment of new industries which might provide employment for our graduates. In December last Dr. Paranjpye in the course of his address at the Convocation of the Nagpur University observed that :

"our educational system has grown up so far without any conscious planning", and asked, "Does our education make its votaries unit for the practical side of life and fit them only for black-coated occupations where the openings are necessarily limited".

Then, His Excellency the Viceroy in his speech at the opening ceremony of the Third Conference of the Inter-Universities Board held at Delhi last year spoke feelingly of the tragedy of unemployment among educated youths and referred to the fact as to how far technical, vocational and technological education could afford a solution to this distressing problem. All this goes to show that the problem of unemployment is being felt very keenly at the present day.

Now let us examine what the State is doing to tackle this problem. All that the Government of India seem to have done apparently is that they invited two economic and statistical experts, namely, Professor Bowley and Mr. Robertson from England to India in order to collect some statistical material on economic matters and these experts submitted their report to the Government last year. But what action the Government of India has taken on that report the public has yet to know. Secondly, Sir, the Government of India in January last circularised all local Governments and Administrations drawing their attention to two resolutions passed at the 3rd Conference of Indian Universities held in Delhi last year which recommended a revision of the present system of education with a view to render it more practical and useful so as to find a practical solution of the problem of unemployment, and inviting their opinions in the matter. But we have yet to know what practical steps the Government of India have taken to tackle the problem themselves as the custodian of the welfare of India's teeming millions. Of course, it must be acknowledged to the credit of the Government of my province that the United Provinces Government have appointed a committee under the Chairmanship of the Right Honourable Sir Tej Bahadur Sapru to investigate the problem of unemployment among the educated classes in the province and to make proposals for its relief. This Committee is touring the province to ascertain both official and non-official public opinion on the subject. This action of the Government of the United Provinces is a step in the right direction. But that does not in any way minimise the obligation which the central Government owe in this matter to the country at large. Because, Sir, after all the resources and powers of provincial Governments are limited and a provincial Government cannot take all the steps that may be necessary to find a solution of the problem single-handed unless and until the measures taken by it are supplemented by a broader policy followed by the Government of India. For example, it may be suggested by some that the solution of the problem of unemployment lies in revising the present system of education so as to give it a vocational bias and make it less literary than what it at present is and in a rapid development of our agriculture and industries, and it may be said that all these are provincial subjects. This is the view which I fear is quite likely to be taken up also by the benches opposite in order to shift their responsibility to provincial Governments in the matter. But, Sir, I submit that it is very important that such measures as provincial Governments may think fit to adopt in this direction must be supplemented by the policy of the Government of India with the same end in view. Unless, for instance, the tariff and the currency and exchange policies of the Government are directed to safeguard national interests, there cannot be much hope of any appreciable relief in unemployment. For, the Government of India cannot escape the criticism that their tariff and economic policy is not often dictated by considerations other than the best interests of India, and yet these policies of a government are the determining factor in the fortunes of a country.

Sir, it is not for me to suggest to the Government ways and means to relieve unemployment, for it is the business of the State to find out such ways and means like the governments of other countries. But I can enunciate some general principles in this behalf which the Government can investigate and find out how far these suggestions could provide a workable solution of the problem. In my opinion, a big scheme should be evolved to form the basis of a five or seven-year plan of a sort of economic reconstruction which may raise commodity prices and increase the purchasing power of the people. What seems necessary is that there should be rapid development of our agriculture.

[Rai Bahadur Lala Jagdish Prasad.]

and industries and the salvation seems to lie specially in the industrialisation of the country. Cottage industries should be promoted which can be more within the means of the average classes. Facilities should be provided for the training of youths of the country in all kinds of industrial pursuits, and Indian capital and enterprise must receive all possible encouragement. The state and semi-state departments ought to make it a point to purchase, as far as possible, all their requirements from indigenous manufactures, and where they are not at present available in the country arrangements should be made by them for their manufacture here. And Indians should be recruited to all Government posts in a larger measure. The tariff and currency and exchange policies of the Government should be regulated solely in the interests of the country. Besides these, the Government should embark on a bold policy of capital expenditure on productive ventures which can find much needed employment for the unemployed in the country, for, no programme of economic relief on an organized basis can be adequate without well-thought-out schemes of capital expenditure, particularly at a time when the Government of India are in a position to borrow long term money on a comparatively cheaper basis than has been experienced for a generation past. Schemes can be prepared, as suggested by the Committee of the Federation of Indian Chambers of Commerce, for (a) agricultural land reclamation, including drainage and irrigation, etc., (b) slum clearance in certain cities, including subsidised housing schemes and (c) road development on a more extensive and wider basis. Sir, it may be asked how such a loan should be repaid. To that my answer is : reduce your expenses and spare money to pay up the loan.

These are only tentative suggestions and are by no means in the nature of any comprehensive proposals. It would perhaps be better if the Government of India investigated the possibilities of these suggestions along with some proposals of their own with a view to finding out an effective solution of the problem for themselves.

Sir, it may be interesting to know that the United States of America has adopted, like other countries, measures for the relief of unemployment, for the regulation of banking, of the investment market and of the stock exchange. Besides these it has adopted measures which are essentially new and have not been tried in other countries. There is, in the first place, an effort on a big scale to organise producers in industry and in agriculture so as to permit of some degree of economic self-government, having the control of labour standards and of prices and production among its principal aims. Then, there is the effort to revive business activity, to increase the volume of buying and to raise the commodity price level. In short, it is engaged in a mighty effort to solve what the report of the International Labour Office calls

"the basic economic problem that now confronts mankind—the problem of developing an economic organisation that will enable the citizens of a modern state to buy from one another what modern industrial methods enable them to produce".

Outside the United States almost every important country has adopted comprehensive measures to deal with the economic crisis in the best national interest.

Is it too much to hope that the Government in India would consider it their duty to do in the way of relieving unemployment what any national government would have done under the present circumstances and what most national governments are doing in their countries to tackle this great problem?

Sir, I move.

THE HONOURABLE THE PRESIDENT : Resolution moved :

"That this Council recommends to the Governor General in Council to take adequate and effective steps to relieve unemployment in the country".

To this Resolution the Honourable Raja Raghunandan Prasad Singh has placed two amendments, but these two amendments are barred under the Standing Orders for not giving proper and timely notice. I am afraid, therefore, I cannot allow the Honourable Member to move the amendments unless the Member in charge agrees to waive notice?

THE HONOURABLE MR. D. G. MITCHELL : No, Sir, I do not waive notice, as the amendments entirely alter the character of the original Resolution.

THE HONOURABLE THE PRESIDENT : I am afraid I cannot allow the amendments to be moved.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Mr. President, I have listened with close attention to the speech made by the Honourable mover of this Resolution. The Honourable mover has said that it is an undisputed fact that there are many people without employment in this country and that that fact is admitted by all. The point, however, is, is unemployment in India any greater than it is in many other parts of the world which have been affected by the depression that has been prevailing for the last few years? We know that there is very considerable unemployment in England and still more so in the United States of America in spite of the efforts made by the Government of that country to relieve the situation as referred to by the Honourable mover himself. It seems to me that it is somewhat strange that in this country we always ask Government to do as much as they can for the public and the public themselves are not prepared to put their shoulder to the wheel. If we did more in that direction, perhaps because unemployment is less in India as compared with other countries, our unemployment problem if not altogether solved would be much better than it is today. The solution lies to a great extent in what the mover himself suggested by adopting the recommendations made in their university addresses by such distinguished Indians as were named by him, namely, Sir Tej Bahadur Sapru, Sir Shadi Lal, Sir Sivaswamy Aiyer, Professor Paranjpye, and last but not least, His Excellency the Viceroy himself. Our system of education is to be blamed. The Honourable mover himself admits that. That ought to be changed and vocational training should be given to a larger extent than is the case today. The Honourable Rai Bahadur Lala Jagdish Prasad referred to three or four convocation addresses. I believe we have about 18 or more universities in India. They go on producing—or may I use the word "manufacturing"—graduates, not at the rate of hundreds but by the thousands. What has been done to prevent this and divert our young men to vocational training and to businesses in which they might earn an honest living? To that the public, I am afraid, do not devote as much attention as they well might. Sir, we depend too much on Government. If Government cannot give clerkships to the hundreds and thousands of graduates who are turned out every year, that is bound to lead to discontent, as it has done, and perhaps in some cases even to terrorism, a fact to which the Honourable mover himself has referred. Then again, there are many social customs which, if they do not have a direct bearing, certainly have an indirect bearing on the question of unemployment. I refer in particular to the question of early marriages, very

[Sir Phiroze Sethna.]

large marriage expenses and funeral expenses. If all these were attended to, perhaps a great deal of good will be done. There is yet another problem which I think we shall have an opportunity of discussing some days later when we consider the Resolution to be moved by my Honourable friend on my right in regard to how best to check the growth of the population of this country. That also will help to a large extent.

What are the remedies which my friend has suggested? He has enumerated several. First of all, he wants Government to copy the Soviet five-year plan. He wants the development of cottage industries, he wants the establishment of different industries. All this, however, to my mind, is not the duty of the Government of India but of the provincial Governments. The Honourable Rai Bahadur Lala Jagdish Prasad observed that so far as his province was concerned, its Government is moving in that direction. If he makes enquiries in regard to the other provinces, he will find that they too are trying to do what best they can. But so much depends on funds. As we all know, funds are not easily available in these days and we will have to wait till normal times in order to permit of the undertaking of the different things which my Honourable friend has enumerated, including agricultural land reclamation, slum development, road development, etc. He thinks he has solved the problem to an extent by suggesting to Government that loans might be raised for the purpose. But loans cannot be raised for nothing. Even at the present low rate of interest, large sums will have to be provided for interest on these loans. Where is that money to come from? It will come from the taxpayer. We complain in one breath that we are over-taxed. Our income-tax, as I observed the other day, is as high as in almost any other country barring a very few. On top of that, we have surcharges which have been reduced only by a third so far. Does my Honourable friend contend that a further loan should be raised and the interest thereon be paid by raising the income-tax and super-tax yet further?

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: No.

THE HONOURABLE SIR PHIROZE SETHNA: If my Honourable friend says "No", let him give us a solution as to how to meet that expenditure.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Reduce your expenses, e.g., military expenses.

THE HONOURABLE SIR PHIROZE SETHNA: My friend says, "Reduce your expenses". The military expenditure, in regard to which I am in agreement with him and with others, might well be reduced substantially by a few crores. But I do not know how you want the civil expenditure to be reduced. (An Honourable Member: "Reduce the pay of Government servants.") We have fortunately not yet reached the days when according to Mr. Gandhi the Viceroy might be paid only Rs. 500 a month. We will not be able to get efficient men to serve on less than what they are being paid today. My friend doubts that statement. Does he think that a Government servant is paid today any more than what a large commercial firm pays its senior men in charge of large and important departments? I say emphatically, "No." I can give you instances of commercial concerns which pay their officers even more than what the Government officers on the opposite benches get, and rightly so, because they prove their worth by the success of such concerns as the result of their efforts.

But, Sir, I must not digress. I started by saying that we must do the best we can ourselves, and I regret to say that we are not doing as much as we ought to. May I give you an instance of my own community? We are a very small community. Only about 15 or 20 years ago, it was the boast of the Parsis that there was not a single pauper amongst us. I am sorry to say that the case is very different today. There is very considerable poverty, and that poverty is due to the existing depression. But the community and its leaders are trying to meet the situation as best they can. Within the last few days, a book has been published—and when I say, in the last few days, I mean it was out from the press only last Saturday. I had occasion to read that book on my journey up here from Bombay. The book is called "Parsi Charity Relief and Communal Amelioration or a brief study of the prevalent system of Charity Relief among the Parsis, some proposals for its improvement, and some suggestions for Constructive Welfare Work and Employing the Unemployed". We have in the author a great enthusiast in sociological work, who is a Doctor of Philosophy, by name Dr. Jal Feeroze Bulsara. Because he happens to be the Secretary of the Parsi Panchayat, he is in a better position to collect figures which he has carefully tabulated under various heads to show how very much the position of the community has changed for the worse. I am however relying more on the latter part of his book in which he has made recommendations as to how best the existing situation should be met. He has made excellent suggestions to which I hope prompt attention will be given. Besides Dr. Bulsara there are others in the community who devote time and attention to such questions. This kind of thing ought to be done by leaders in every community. My Honourable friend, Rai Bahadur Lala Jagdish Prasad, and my Honourable friend, Raja Raghunandan Prasad Singh, who had given notice of some amendments but which have not been allowed, are both men blessed with plenty of funds, men who are political leaders in the part of the world they come from, men who command great respect. It is for them to take the lead in the manner in which in their own province the colony of Dayalbagh has been established and is flourishing. Dr. Bulsara refers to the good work done by Dayalbagh. What good work it has done, what it produces, was shown in the City of Delhi at the Exhibition which was declared open by the Honourable Sir Frank Noyce just the other day. At Dayalbagh there was a religious sect, the Radhaswami Satsung started in 1861. In 1915, they undertook the task of teaching people different trades, etc., and this work which started in January, 1915 with the purchase of four acres of almost desert land and an outlay of Rs. 7,000 has today come to occupy 2,600 acres of land at Agra, possess a teak forest at Rajborari, and has invested about Rs. 42 lakhs in various industries. This was up to two years ago and the figures by now must have very greatly increased. That is what should be done everywhere. Instead of one Dayalbagh in the United Provinces, we should have hundreds of Dayalbaghs in India. If that is done by leaders like my Honourable friend, the mover and others, I am sure the unemployment problem will be solved far better than if it is undertaken by Government, as is proposed in the Resolution.

I will now conclude, Sir, but with your permission, would quote a few sentences from the last paragraph in Dr. Bulsara's book, which are equally applicable to all communities, Hindus, Muslims, Sikhs and others. He says:

"One need not subscribe to the alarmist or pessimistic creed that the community is going to the dogs or that it is doomed to gradual failure and fall. I fully believe, and valid sociological reasons can be adduced for such a belief, that the community has certain assets and characteristics that will, if properly marshalled and taken advantage of, lead to a future more brilliant than the past."

[Sir Phiroze Sethna.]

I say, Sir, if that is applicable to the Parsis, it is equally applicable to the other communities. He goes on :

"Let it be clearly understood that such achievements of civil advance and progress in civilisation cannot be had by mere wishing. The able and capable of the community must set their shoulders to the wheel and pay for the progress and well-being of the community in scientific study, deep thinking, wise planning and devoted execution, if they are to achieve anything".

I will conclude with his last sentence :

"The leaders must possess sound knowledge, enlightened outlook, skill for scientific social planning and organisation, a deep social sense, a trenchant belief in the essence of all life, viz., happiness and progress not merely of their particular community but of the entire human race, which is getting more and more inter-related and inter-dependent and a balanced judgment and experience of the old, and the vigour, fervour, freshness and sincerity of youth to bring it about".

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, I rise to support the Resolution which has been moved by my friend Mr. Jagdish Prasad. Even before the trade depression and in its days of prosperity there was a good deal of unemployment in India. The depression has only deepened it with the result that it has now assumed gigantic proportions. One authority, Sir Visvesvar Ayyar, computed the extent of unemployment in this country at 40 millions. As Government has taken no steps to ascertain the extent of unemployment and we have no economic survey, that may be taken as an approximate figure ; at any rate I am not aware of any official figures of unemployment in India. In spite of the consistent demands of our economists and the leaders of the people the Government has been callous all along to the problem of unemployment. The Honourable Sir Phiroze Sethna said that probably unemployment in India is not much greater than in other countries, but in the absence of any figures for India we cannot institute comparison with other countries. Apart from that, the fact staring us in the face is that the standard of living in India is very low and the margin of means of subsistence is very small indeed. So that in times of depression there is very little for the average Indian to fall back upon. My Honourable friend Sir Phiroze Sethna has been waxing eloquent about the steps which the public ought to take and which his own community in particular has been taking in relieving unemployment. But he seems to forget that his community is a very small one and the average income and average capital per head at the disposal of his community would be a small fortune to the average Indian. What they have been able to achieve in ameliorating the condition of the less fortunately placed of their own community cannot apply to the average Indian. India is a huge country of paupers. The conditions obtaining in his small community differ greatly from those in others. The Indian problem requires to be tackled in a different way. It is all very well to say it is for the public to do all they can to ameliorate the condition of these unemployed. We are particularly handicapped in view of the fact that it has been the deliberate policy of the Government to regulate their industrial and financial policies with a view to relieving unemployment in Great Britain. The public, however earnest they may be in their efforts, cannot obtain any good results without the co-operation of the Government. My point is, the whole policy of the Government should be changed before we can expect any relief for unemployment in this country. In all western countries with Governments having a national outlook, keenly alive to the interests of their nationals, the financial and industrial policies are regulated so as to promote the best interests of their own countrymen.

Then it is possible for the public to come forward to assist in relieving unemployment in a large measure. But in present circumstances we cannot expect them to do so with any hope of success.

Before the depression, though we had unemployment amongst manual labourers, it was not acute so long as agricultural and raw produce fetched economic prices. But since the depression unemployment amongst manual labourers has assumed serious proportions. Added to that we have the problem of unemployment among the educated middle classes which had become serious indeed for a long time. The main reason for unemployment among the middle classes has been the educational policy of the Government. Our schools and universities have been turning out a plentiful supply of cheap and efficient clerks. There has been no system of vocational training, technical training or technological training to fit the students who come out of the schools and universities for any career apart from Government service. We all know that the Government cannot absorb even a small fraction of the people who are educated and sent out from schools and colleges. We are not blaming the Government for not taking more of these people into Government service. They are doing their best. In the higher ranks something can be done, but that is not likely to solve the problem of unemployment. I admit that, but if they change their policy of education and see to it that vocational training is given prominence and institutions of technology and various technical schools are started side by side with the development of various industries in this country, the problem of unemployment will be very greatly solved. The problem among the educated middle classes is not only an economic problem ; it is fast becoming a political problem as well. Driven to despair by the failure in their constant attempts to find employment here and there, these young men are not looking with favour upon the present system of government or upon the present system of holding property. Naturally they become converts to revolutionary principles and communistic principles. We cannot blame these young men if they become imbued with communism day by day and begin to have faith unconsciously in other systems of holding property and other systems of government than the one which cannot find for them their ordinary means of livelihood. There is also one other aspect of this problem. These educated young men, though they are unemployed, have got a very large influence in the countryside ; among the peasantry they can command considerable influence and respect. You cannot expect these young men to sit quiet with folded hands when they feel that the present system of holding property and the present system of government is not suited to the best interests of the people of India. Naturally ideas of communism, revolutionary ideas are likely to be propagated by these young men who day by day are becoming convinced that the present system of holding property and the present system of the distribution of property is so very wrong that no right-thinking person would submit to it meekly. Under these circumstances it becomes the duty of the Government to see that the foundations of ordered society and the foundations of systems of government prevailing all over the world except Russia are not undermined by this problem of unemployment. We are told that the problem is a problem for the provincial Governments. We all know that provincial Governments who have got charge of nation-building departments are starving them for want of funds. They have not got expanding sources of revenue. In fact their sources of revenue are shrinking. I am aware of the fact that several provincial Governments are keenly alive to the seriousness of this problem and they have been trying to tackle this problem in their own way. They have been able to produce very fine reports, but for want of funds they could not carry out any of the recommendations contained

[Mr. P. C. D. Chari.]

in those reports. It is for the central Government to come forward with a scheme for the relief of unemployment throughout this country in view of the condition of the provincial Governments. You may well ask how is it possible for the central Government to do it. In the first place, it is the duty of the central Government to carry out an economic survey and they must adopt a system of planned economy. There is no use deriding a five-year plan or a ten-year plan. What is most important is that the Government of the day, the Government of India should seriously ponder over the question of having a national reconstruction programme. After carrying out the preliminary economic survey and after chalking out the programme, it is the duty of the Government to look for funds. Funds can be easily raised by floating a loan at a reasonable rate of interest. Money is cheap and if there is any necessity for taxing, the rich may be taxed more and more, so that the people who have been deprived of the very elementary needs of subsistence may be provided with something by means of a reconstruction plan. It is not socialism, pure and simple, but it is carrying out some of the principles of socialism with a view to meet the dire needs of the largest class of people in this country. Apart from that, if there is planned economy and a national reconstruction programme carried out by a system of loans the loans can be easily repaid because the outturn from this reconstruction policy in the shape of increased revenue for the Government would more than justify this programme; and if it does not yield enough, I would urge upon the Government to levy more taxation on the rich with a view to a more equal distribution of wealth and the necessities of life for the struggling unemployed in this country. Sir, I heartily support this Resolution.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, the Honourable mover of this Resolution has worded it in such a way that it covers a very wide field, but unfortunately, Sir, I find that he instead of speaking on his own Resolution confined himself mostly to the amendment which the Honourable Raja Raghunandan Prasad Singh was going to move. He showed his concern only about the middle classes. He did not tackle the problem, which is really the problem of India, that is, of seven-eighths of the population of India.

THE HONOURABLE MR. P. N. SAPRU : Whom you represent ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : My Honourable friend will get his reply. He represents nobody ! If I give him the answer and tell him how many people he represents out of five crores of people he will be ashamed to call himself a representative !

THE HONOURABLE MR. HOSSAIN IMAM : At least he represents some ! You do not represent any !

THE HONOURABLE MR. P. N. SAPRU : I am prepared to give my Honourable friend or anyone of his school a certain fight in my constituency. I say I represent my constituency. My Honourable friend represents none !

THE HONOURABLE THE PRESIDENT : Order, order. The Honourable Member has not given way.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : If my Honourable friend or any member of his Party is so keenly anxious to know whom they represent, they do not represent one man out of one lakh in the province.

That is a side issue. I am sorry, Sir, I had to say this because I am receiving this kind of suggestion every day. Day in and day out this kind of remark comes in and I will have to give the figures about each and every Member.

THE HONOURABLE THE PRESIDENT : Order, order. Will you please confine yourself strictly to the Resolution before the Council ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Now, Sir, the point is that seven-eighths of the population of India is nowadays engaged in agriculture and they live in the villages and they are all agriculturists or are dependent entirely upon agriculture ; and

12 Noon. when we have to tackle the real problem of India, that problem ought to be that about the villages and the population that lives in the villages. Here, Sir, we find that, if we do not have one monsoon, a single failure of the monsoon will bring a whole lot of people to unemployment, and if we have a favourable monsoon then the people can find some kind of employment in the fields and in the villages. But if there is no monsoon, then seven-eighths of the population of India, the majority of the people, remain without any work and they cannot get any food whatsoever. That is really the problem which I thought my Honourable friend had in view and was going to tackle. But he did not say a word about this huge population which is migrating to the towns—

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : Did not I suggest the promotion of cottage industries ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : But cottage industries might mean anything and he did not make it clear whether he wanted cottage industries to be set up in the villages or whether he intended these cottage industries to be set up for the benefit of the middle classes in the towns. (An Honourable Member : "Where are the present cottage industries ? Are they not in the rural areas ?") Well, if he did have this intention, then I am sorry that I did him an injustice. But what I expected, Sir, was that he would draw attention to the real situation which we have to take into consideration, the unemployment of the masses of the people which is creating all the agitation in the country. Not only from the Government point of view but from the economic point of view it is desirable that there should be an alleviation of these conditions. The whole problem of unemployment is due to one factor and that is that the village population is migrating to the towns because they cannot find sufficient employment in the villages and the prices are so low that they cannot get any profit by engaging in agriculture. It is natural enough that a man who cannot get Rs. 5 a month in the village should want to shift to the town in the hope of getting some higher remuneration, and when he comes to the town he finds he is nowhere and nobody looks after him. My Honourable friend must know for he comes from the zemindar class, every village *patwari* has got a son or relation who is not only a graduate but also a graduate in law. There are thousands of people who after being educated in public schools or in English schools do not like to stick to their profession of cultivation but want some kind of employment under the Government. Their only agitation is because they cannot get such employment. And that is what we want to find out—how to stop this thing. (An Honourable Member : "What remedy do you suggest ?") I am coming to the remedy, Sir. The remedy is that the prices of agricultural produce should be brought to a level where people can find sufficient employment in the villages. (An Honourable Member : "Who can do that ?") If the Honourable Member will refrain from interrupting—

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Did I not suggest that the prices of commodities should be raised?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: The whole trend of the Honourable Member's speech was about the unemployment of the educated middle class and prices were only mentioned as a side issue.

THE HONOURABLE THE PRESIDENT: I would advise the Honourable Member not to criticise the Honourable mover's speech but to proceed with his own.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I want, Sir, that the problem of unemployment in the villages should be taken up by the Government. But that is a question which, as the Honourable Sir Phiroze Sethna pointed out, can be more easily tackled by the provincial Governments and their attention should be drawn to this fact, if it has not already been drawn by the provincial Legislatures. The provincial Legislatures must come forward and draw the attention of their provincial Governments to the facts of the case. As far as the middle classes are concerned, I would say one word, and that is that this problem is not going to die easily. Because India formerly was divided into castes and each caste pursued its own profession or vocation. The Brahmins devoted themselves to learning, the Kshatriyas took to the profession of arms, the Vaishyas looked after their business. Now, Sir, we find that instead of this, all classes are encroaching upon other people's work and when this is done, and it is going to continue, it is rather difficult for those classes who used to look to government service only as their profession to find room there. For them the only remedy lies that they must also go into the professions of the other classes. If that is done then it will relieve the question of unemployment in the middle classes. But for the Government of India to take up any policy that will stop educating anyone who is willing to pay for his education, would be suicidal for the progress of India. It may be a very alluring prospect to stop educating the masses, but would any Honourable Member have the courage to go to the country and put this proposition, that the only remedy for unemployment is to stop educating the people? Because Government cannot raise factories by asking people to subscribe, Government has no right to ask private persons to create some kind of employment for these persons, so it is action which Government alone can take by providing employment for them all. I think that what the Resolution asks Government to do is entirely beyond the power of the Government to do under present circumstances and the only remedy is that the people must themselves come forward and make some kind of provision for this purpose. All that I wish to draw attention to is the question of unemployment in the rural areas which I hope Government will take seriously into consideration.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend, Lala Jagdish Prasad. Sir, I would like to analyse the present situation. How has this unemployment arisen? In the villages, Sir, people have got very small holdings—I am speaking of the rural areas—and their holdings are not sufficient to maintain the family, with the result that certain members of the family go out from rural areas to urban areas and seek employment there in order to make their family live. In urban areas, owing to grave economic depression, things are not bright. The result is that all labour cannot find employment. In my province, fortunately, colonisation has been afoot, on a fairly large scale, and some of the

rural population have found work in colonising their new lands. But that colonisation work is now practically coming to an end and the difficulty of employment is being much felt equally in rural as well as in urban areas. Unless the condition of the rural classes is ameliorated, the question of unemployment will be materially solved—I should say, substantially solved, because it is more the rural people who are out of employment. I now come to the urban areas. In urban areas, as far as the educated classes are concerned, they are in great difficulty. In my province, things have gone so bad that an M.A., LL.B., sought employment as a head constable in the police. Graduates are also accepting small salaries to keep themselves going. This has added to the unrest in the country, because these people who are unemployed and who cannot make both ends meet get discontented and then they get misguided in any direction they are led to. Sir, I would suggest that out of this rural uplift grant which Government has been pleased to provide in the budget this year, the unemployment question should be first tackled. Employment should be found for such people by employing them in small or cottage industries. Another way in which this question can be solved is by reducing taxation, whether in the form of land revenue or canal rates or in other taxes. Taxation is so heavy that the people practically get nothing left to sustain themselves on. Sir, my friend the Honourable Mr. Yamin Khan has made some unfair observations, and knowing that he does not represent any constituency, he has been throwing mud on others.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I obtained signatures on my manifesto which even three members combined in your Party, who are representatives in this House, did not get!

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I know nothing about that.

THE HONOURABLE MR. P. N. SAPRU: Signatures on your application to be nominated? (Laughter.)

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I must tell my Honourable friend that in case he was so popular, he would not have sought for nomination.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: If my Honourable friend advises his Party members not to indulge in these remarks, they will hear nothing from my side. That is the best advice he can give them.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Two wrongs cannot put things right! Well, Sir, the chief method of solving the unemployment problem is by starting capital works. In these days, money is very cheap, and Government can very well afford to start capital works of public utility. The flight of gold from India means that these villagers, who are in distress, are parting with the capital which they possess. In the Punjab, the capital of the masses is invested either in silver or in gold, and when the capital disappears and when conditions continue to be what they are at present, I do not know what will be the fate of these poor people.

Sir, unfortunately, the high birth rate is another factor in this unemployment problem. Our population is swelling up, and our economic condition is going down. So, poverty is swelling up. The low price of the agricultural produce for the last six or seven years is another factor in forcing people to seek employment. Fortunately, the prices are now rising. In case Government change their policy of currency and exchange, I think conditions will

[Rai Bahadur Lala Ram Saran Das.]

improve. Sir, in England also, which is far more educated and far more resourceful, there is unemployment. It is felt so strongly that Government is being censured for not finding a suitable solution for relief of unemployment. If I rightly understand, on that issue the present Government is going to be dissolved. When things are being considered so seriously in a country like England, where of course the average income of a person is much more than that of our Parsi friends here, I think it is opportune for the Government here to seriously launch a scheme to solve the unemployment question. Various committees have sat in various provinces on this very question and have reported, but the reports, as usual, have been shelved. I think it is the duty of the Government, particularly in times of grave economic depression and at a time when money is very cheap, to come forward and help the poor. With these words, Sir, I support the Resolution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I had no intention of intervening in this debate, but certain observations of my esteemed friend the Honourable Sir Phiroze Sethna have induced me to do so. Sir, the Honourable Sir Phiroze Sethna is a believer in undiluted competition. He is a believer in a system of undiluted individual economy. I am not. I believe in what Sir Arthur Salter would call an ordered society. Therefore, the viewpoint from which I approach this question is necessarily very different from the viewpoint from which the Honourable Sir Phiroze Sethna has approached the matter. If we examine the position in western countries, what do we find? The phenomenon that has got to be explained is that we have unemployment in an age of plenty. It is not on the productive side that our system has failed. It is on the distributive side that our system of undiluted competition has failed. So far as India is concerned, we are not suffering from excess of production. We are suffering from under production and under consumption, and these have been intensified by the economic depression. If we believe in an ordered society, if we believe in a planned society, it follows that the State must, in the years to come, play a larger part in our life than it has done so far. I will stress the point. Between the individual and the community there is a very close relationship. You cannot consider the individual apart from the society and you cannot consider society apart from the individual. Therefore, the State must play a much larger part than it has done. My Honourable friend Lala Jagdish Prasad is a believer in the State playing its part, and therefore he has laid stress upon planned economy. If you are going to have planned economy, it follows that you can only have planned economy if the central Government comes to the aid of the provincial Governments. You cannot have planned economy without the support and the help of the central Government. After all, let us consider the questions with which the central Government concerns itself in this country. Take currency and exchange. If you want to have planned economy then you must raise the price level of commodities in this country. It means that you must have an inflationary currency policy. Before anything can be done there must be a revision of your present policy so far as the exchange ratio is concerned. Take tariffs. You enter at once here into the question of preferential and differential tariff arrangements. Trade and commercial agreement with various countries; defence expenditure; railways; communications; all these are matters which are within the purview and control of the central Government. Therefore, for planned economy the help of the central Government is absolutely necessary. Therefore, if we believe, as my Honourable friend and I believe, in

planned economy, we have necessarily to ask the central Government to intervene. That is why Sir Phiroze Sethna and we cannot agree on this matter.

Then, Sir, there are just a few observations that I should like to make on middle class unemployment. Universities are blamed for multiplying graduates. You do not hear that complaint, that there is too much education in any other country than India. I think, Sir, literary education has still a very useful function to perform. The cultural level of the country has to be raised. Leaders have to be trained for the wider opportunities that public life will hereafter offer in this country; and you can not have all these without a sound system of university education. By merely multiplying technical and vocational schools you will not be able to solve the unemployment problem. If you were to attempt to solve the problem by that method, you would create a class of specialised unemployed in place of the unspecialised unemployed today. I was for many years the Secretary of the Students Advisory Committee in my province, and what did I find? A number of young men used to go to Europe for technical education and after a three to five years stay there when they came back their experience was that no jobs were available for them in our province. Then we have in our University a Commerce Degree. A number of students take this Commerce Degree, and after taking it I have known some of them join the Law classes because there are no industrial careers open to them. Therefore, Sir, you will not be able to solve this problem by restricting higher education or by merely giving it a technical direction. You can only solve it by encouraging industrial expansion, by developing the country economically, by providing new careers for your young men. If you were to provide new careers and new opportunities, the congestion in some of the professions will automatically disappear. Nobody wants to become a lawyer if he can help it. We know that a number of our young men join the law without any prospect of success in the profession and they swell the ranks of the unemployed. They would be only too glad to take up some other line if it were possible for them to do so. But it is not possible for them to take to any other profession and so they swell the ranks of the legal profession. You cannot solve this problem by merely restricting university education or by attacking university education. By all means have a more diversified system of education in this country, but also remember that you want increased industrial and economic development at the same time and that you will be able to solve this problem only when you have that industrial and economic development.

Sir Phiroze Sethna referred to some of our social customs which stand in the way of our progress. Well, Sir, I am no believer in our present social fabric. I have a horror, if I may say so, of our social system, and I would demolish it if I could tomorrow. I do not believe in the Hindu social system as it is today. But I also believe in what I may call the relativity of State functions. In a community in which the sense of individual responsibility is not so great as in more highly developed States, it is necessary for the State to play a larger part. In India where the sense of individual and social responsibility is not very great the State ought to play a larger part, and my chief grievance is that the State does not play a large enough part in our life in this country. I wish it to play a large part and I wish it to come forward and help our industrialists; and help us all to develop those qualities in which we are lacking, owing it may be to our inheritance or it may be to our bad social customs. It is for that reason that I think the Resolution of the Honourable Lala Jagdish Prasad needs support.

Then, Sir, the Honourable Sir Phiroze Sethna said, where are you going to get the money to finance a five or seven year economic plan? It is no

[Mr. P. N. Saprú.]

use saying that planned economy has not succeeded. Planned economy has within limits succeeded and modern countries which have adopted planned economy have made a great contribution to the world, and it is a contribution which we ought to welcome and study with intelligent care. Now, where are you going to find the money for all these developments? That is the argument. Well, my Honourable friend has said, practise economy. There is the army. You can reduce your expenditure on the army and you can obtain so many crores which you can give to the provinces. Then there are the services. Now it is not our suggestion that the salaries of the present incumbents should be reduced. That would be absolutely and grossly unfair. But certainly it is not necessary in the future to recruit your men at the very high salaries that you are paying today. And there are various other directions in which you can retrench. Then, if even after retrenchment you feel you must have more money, money is cheap in these days, borrow in the money market, and when you have done all these things we shall consider other possible methods of raising further revenues. Therefore, I say the Government ought to show a sympathetic attitude towards this Resolution. After all, consider what our Government has done compared with other Governments so far as the question of unemployment is concerned. The fate of ministries in western countries depends upon the manner in which they tackle this problem of unemployment. Here of course you are an irremovable executive and even if we passed a vote of censure on you because you have not done enough to tackle this problem you would remain unaffected. But I mention it to show that other Governments are trying to tackle this problem with courage, and there is no reason why you who profess to act as a National Government ought not also to try and tackle this problem with courage. These are the observations I have to make in support of the Resolution of my friend the Honourable Lala Jagdish Prasad.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, the Honourable the mover of this Resolution played a much happier part than I am called upon to play. He chose for himself the role of the advocate of the poor and distressed and he has placed upon me the role of the unsympathetic, unimaginative and inert official. I regret, Sir, that the roles could not have been changed. I do not mean that my Honourable friend is cut out for the case-hardened bureaucrat. I am sure, on the contrary, that his comfortable appearance, and the benevolent gleam behind his glasses equip him admirably for repelling those charges which the opposite benches are making against Government. I, on the other hand, would have discharged the part of the fiery demagogue somewhat better than my Honourable friend. I would not have been content with trotting out once again the various unproved experiments of Europe and America; I would not have made the same old criticisms of Government—criticisms made so often and so often rebutted. I think I would have endeavoured to have made a few new suggestions of my own, perhaps of great brilliancy, but I am afraid perhaps of no greater soundness than the ones which my Honourable friend made!

To begin with, in the role which my friend has placed upon me, I must at the very outset repel the charge so frequently made and repeated again today that Government shows a lack of sympathy with regard to the present economic condition of India. That is quite flatly not true. Government is perfectly well aware of the great distress in the villages and in the towns and of the acute state of unemployment among the educated middle classes. But, Sir, what are the circumstances under which Government has been operating in

these last few years? We all know of this sudden hurricane which has swept over the world, this unexpected maladjustment of the economic machinery which is described as the slump, the economic blizzard, and various other terms. The world in the last few years appears to have gone off its head and is now engaged in a wild jazz dance, of inflation and deflation and currency rigging, of prohibitions of imports and quotas, and of tariff walls, which are more like the walls of a prison. I do not presume to criticise the Governments of other countries in this matter. They resemble a boat load of passengers, all hitherto friendly,—more or less,—who have been suddenly tipped into the cold water. Most of them have proceeded to clutch at imaginary straws; some, I fear, have even clutched at their fellow swimmers and endeavoured to shove their heads under the water. Now, Sir, I have been asked several times what in these circumstances has the Government of India done. The one thing which it has done has been to keep its head; and to keep it above water. It has balanced its budget; it has even achieved this year a surplus budget. It has maintained the credit of Government at a remarkably high level. As a result it has maintained the credit of banks which have behind them the credit of Government, and behind them again the whole credit machinery of the country. That is, it has kept India fit to take the fullest advantage at the very earliest opportunity of such economic recovery as may occur. That is a very remarkable achievement and one which has been done by very few countries in the world indeed. In addition, to come down to more specific matters, Government has maintained its policy of discriminating protection. Some of my Honourable friends think that is a very small matter, but just look at several of the measures which have been passed during these recent slump years. They have continued the protection on Indian textiles and on steel. I am not able to speak with full authority on the present condition of the cotton textile industry, but I understand it is very far from suffering from acute depression. On the contrary many mills in some areas are working double shifts.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Japan is still dumping its goods.

THE HONOURABLE MR. D. G. MITCHELL: That does not avoid the fact that in many cotton textile areas mills are working at full pressure and are working double shifts. There is no question of acute depression in the cotton textile industry in India at the present moment. About steel, Messrs. Tatas and other iron producers are working at full pressure. In addition, Government has undertaken a policy of the protection of sugar, which has met with an immediate response in the creation of a large new industry in India. Government has also protected the tea industry by its restriction scheme and kept alive a very important industry of Eastern India, which was on the point of collapse. Again, in its legislative measures, Government has passed a Factories Bill and is now in process of passing a Mines Bill. Both of these have the effect of restricting the hours of labour and therefore incidentally of spreading labour over a larger number of labourers and to that extent reducing unemployment. As regards executive measures, Government has been very careful in regard to capital expenditure. It has not launched out on any very large scale, but there are a few important measures which are now in process of execution. As you know, up till recently the Government of India has been spending roughly a crore of rupees on roads in the provinces. Provinces have now come up in some instances for the capitalisation of parts of their provincial shares in the Road account. In addition, Government is prepared to anticipate the revenues to a certain extent, and in the next few years the programme of road building in India will be very largely stimulated.

[Mr. D. G. Mitchell.]

Again, the capital project was re-opened in Delhi with a consequent expenditure of between Rs. 80 to Rs. 90 lakhs. Civil aviation, which had been starved in the past years, has received a grant for capital expenditure of nearly a crore of rupees. Again, Government is now actively engaged in expanding an industry which may become one of the first magnitude—that of broadcasting. These schemes, each in themselves, are considerable. They may seem small in relation to the great straits in which India now lies, but they have one very great advantage, and that is, they have all been carried out within India's means and without the slightest damage to her credit.

Now, Sir, I would ask what the Government of India has not done? As I have said before, the Government of India has not lost its head. It has not gone in for wild cat schemes. It looks with no particular favour on your five-year plans. It does not quite understand what many people mean by economic planning. It doubts very gravely if anybody in fact does know what economic planning does mean. As I have said, it has carried out none of these wild cat schemes, as to the dimensions of which the case put forward by my friend, the Honourable Mr. Chari, is an illustration. In dealing with this case, I will treat my Honourable friend with strict unfairness, by taking his own figures of unemployment. He estimates them at 40 millions and he would ask Government—and in this he is supported by some other Honourable Members—to get ahead with the scheme to employ these people. Forty million is four crores. I presume my Honourable friend would allow Rs. 20 a month as being a reasonable wage. That means Rs. 80 crores a month. Government has, according to my Honourable friend, to formulate schemes and find a Wage Bill of Rs. 80 crores a month.

THE HONOURABLE MR. P. C. D. CHARI: Not exactly a Wage Bill but a reconstruction programme to absorb these energies which are being wasted otherwise.

THE HONOURABLE MR. D. G. MITCHELL: Government thinks it has the best programme in what it is doing at present. A similar remark applies though in a lesser degree to the long string of suggestions which have come from the opposite side—large schemes of construction of roads, reclamation of agricultural lands, housing schemes, slum clearances, and so forth. These all require money. And that is the whole moral of my story. The money is the villain of the piece. It is the money that is unsympathetic, unimaginative, and at present, I am sorry to say, very inert.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Money can be cheaply borrowed at present.

THE HONOURABLE MR. D. G. MITCHELL: I would say again, if my Honourable friend desires Government to go in for a large scheme of borrowing, then I would ask him to point out to me any country in the world which has successfully promoted a large scheme of borrowing and thereby relieved unemployment. Up to the present moment it has not been done in America. I only saw in the papers yesterday morning, I think, that America's latest scheme involves the raising of 5,000 million dollars. These are astronomical figures which it is rather difficult to carry in one's head, but I think on a rough calculation at the present exchange, it means Rs. 1,300 crores. What is the good of talking in terms of these figures? The money may be there—I do not know—but it is certainly not available to any Government. It is not available in the form of immediate taxation. If it were made available in the form of extravagant borrowing, it would mean the raising of loans

which would cripple India for the next two generations. My Honourable friend must see that. Even if India raised the modest sum of Rs. 500 or Rs. 600 crores, if you calculate the interest and redemption charges on that at 6 per cent. it means a sum between Rs. 30 and Rs. 40 crores a year with which the taxpayer in India will be saddled for the next two generations. The net result would be the retardation of the very recovery that my Honourable friend desires. It will be a weight round India's neck from which India will never be able to free herself. Now, the policy of the Government of India, as I have said, has been to keep its head and to give industries generally such pushes as it could afford to do without destroying its credit. Let us see what the results of that policy have been.

As you know, all over the world, where there have been so many schemes, five-year plans, new deals, and so forth, there are hardly any substantial signs of improvement. What about India? I regret to say that I have no figures of unemployment. Unemployment, as my Honourable friend must know, is a term which in India is extremely difficult to define. But I have figures of employment in the three main industries—that is, factories, mines, and railways. The peak figure was in 1929, when in all factories and in all mines and in all railways in India there were just over 2½ million people employed. I would ask Mr. Chari to ponder on that figure of 2½ million employed in relation to the wild guess he gives of 40 million unemployed. Since then there have been successive drops, of 64,000, 166,000, 52,000 and 18,000, till in 1933 the employment figures have dropped to 2,200,000. Now, in the first place, that is a diminution of only about 3 per cent. a year, a figure which pales into insignificance compared to the figures obtaining in the industrial areas of other countries. It is a figure which Lancashire would welcome with joy. I would also point out that the drop has become less acute in the last two years. From 166,000 in 1931 it fell to 18,000 in 1933. I regret I have no figures for 1934 but many Honourable Members of the House will know that there are signs that the economic recovery has now begun. Railway receipts are up; customs receipts are up, and postal receipts are up. And I understand that the business in the clearing houses has increased very rapidly in the last year. I have therefore a very confident anticipation that the figures of 1934 will show that the drop in employment in these major classes of industry has not only been arrested, but that the trend may now be in an upward direction.

To sum up, Sir, the Government of India have indulged in no wild schemes. It has kept its head. It has balanced its budget. It has carried out various sound measures of economic reconstruction, and it has kept India in such a position that it is now better equipped than almost any country in the world to take the fullest advantage of economic recovery when it occurs. Sir, I regret that I must oppose the Resolution moved by my Honourable friend. It is so framed and it has been so supported that it would seek to force Government to depart from its present sound policy. To that, Sir, Government cannot agree, and I must resist the Resolution.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Sir, I am sorry that the Government have thought fit to oppose this modest Resolution of mine. In fact, Sir, we on these benches are accustomed to this sort of thing. When we move any Resolution, we never expect that the Government will support it. So, the attitude of the Government on my Resolution has not come to me as a surprise. But, Sir, I have not been convinced by the speech of the Honourable Mr. Mitchell that the Government of India have so far done all that they should have done to relieve unemployment in the country. The Government might have, as he said, secured a balanced budget, they might

[Rai Bahadur Lala Jagdish Prasad.]

have maintained the credit of India, and they might have kept their head above water. But, Sir, what is of interest to the public is what has been the net result of their policy, whether the people are on the whole more prosperous than they were before the economic depression started, or whether unemployment among the educated classes and the masses is growing day by day. If unemployment is growing less acute, then I would say that the policy of the Government of India has really achieved something. But if our graduates have still to go about without any employment, then I must say that the policy of the Government of India in this matter has failed to achieve anything worth the name. Sir, my Honourable friend Sir Phiroze Sethna thinks that we in this country depend too much on the Government. That is true to some extent. But in a country where capital is shy, where the spirit of enterprise is at a low ebb, is it not the duty of the State to come forward with a bold policy to supplement the activities of the public? Is it the duty of the Government of India to sit with folded hands and to depend on the public doing every thing? I maintain that it is the duty of the Government of India to devise means of relieving unemployment like the Governments of other countries of the world.

Then, it has been said that the problem of relieving unemployment concerns the provincial Governments. But, Sir, as I said in my first speech, it is very necessary that the efforts of the provincial Governments in this matter should be supplemented by the policy of the Government of India because, after all, the currency and exchange and the tariff policy of the Government of India play a great part in making or marring the fortunes of the country. I therefore maintain that the Government of India should do more in the way of finding a solution of this problem than they have done so far.

I am sorry, Sir, that in view of my Honourable friend Mr. Mitchell opposing the Resolution, and of the fact that I am not convinced that the Government of India are doing all that they should in this matter, I do not see my way to withdraw the Resolution. I do not mind if, situated as we are in this House, my Resolution is defeated.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to take adequate and effective steps to relieve unemployment in the country."

The Question is:

"That this Resolution be adopted."

The Council divided:

AYES—18,

Banerjee, The Honourable Mr. Jagdish Chandra.
Barua, The Honourable Srijut Heramba Prasad.
Buta Singh, The Honourable Sardar.
Chari, The Honourable Mr. P. C. D.
Ghazanfar Ali Khan, The Honourable Raja.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.
Halim, The Honourable Khan Bahadur Hanz Muhammad.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.

Kalika, The Honourable Mr. V. V.
Khaparde, The Honourable Mr. G. S.
Naidu, The Honourable Mr. Y. Ranganayakalu.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Raghunandan Prasad Singh, The Honourable Raja.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.
Sinha, The Honourable Kumar Nripendra Narayan.
Suhrawardy, The Honourable Mr. Mahmood.

NOES—34.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahmud.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Askaran, The Honourable Mr. Shanti-das.	Mitchell, The Honourable Mr. D. G.
Basu, The Honourable Mr. Bijay Kumar.	Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Charanjit Singh, The Honourable Raja.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.	Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarwanji.	Philip, The Honourable Mr. C. L.
Comanader-in-Chief, His Excellency the Devadoss, The Honourable Sir David.	Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Fazli-Husain, The Honourable Khan Bahadur Mian Sir.	Russell, The Honourable Sir Guthrie.
Ghosal, The Honourable Mr. Jyotsnanath.	Sethna, The Honourable Sir Phiroze.
Gladstone, The Honourable Mr. S. D.	Spence, The Honourable Mr. G. H.
Glass, The Honourable Mr. J. B.	Sprawson, The Honourable Major-General C. A.
Habibullah of Dacca, The Honourable Nawab Khwaja.	Stewart, The Honourable Mr. F. W.
Hafeez, The Honourable Mhan Bahadur Syed Abdul.	Stewart, The Honourable Mr. T. A.
Hallett, The Honourable Mr. M. G.	Tallents, The Honourable Mr. P. C.
Jalan, The Honourable Rai Bahadur Radha Krishna.	Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Johnson, The Honourable Mr. J. N. G.	Yamin Khan, The Honourable Mr. Mohammad.
Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sir.	

The Motion was negatived.

RESOLUTION RE RECRUITMENT OF ALL CLASSES TO THE INDIAN ARMY.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern Non-Muhammadan): Sir, I rise to move:

"That this Council recommend to the Governor General in Council that recruitment to the Indian Army should not be confined as at present to certain classes only, but should be thrown open to all castes, creeds and classes."

Sir, I wish to put my Resolution in a non-controversial form as far as possible. I will therefore deliberately not go into the history of the present policy of recruitment and the reason for its continuance. I want a change in policy and it will serve no useful purpose to review the past. Now I should like in putting my Resolution first to say that the declared policy of Britain now is responsible government. The connection between responsible government and defence is obvious enough. The country, before it can be truly and fully self-governing, must be in a position to defend itself. Differences in regard to the policy of Indianisation relate to the pace and not to the actual goal. But it is quite clear that it is not enough to Indianise the officer ranks only. It is also necessary to go further and make the army a truly national army. That is to say, the army must not be allowed to remain the close preserve of certain classes or certain provinces. It must be thrown open to all classes and all provinces. The army must not be allowed to remain a purely professional or mercenary army, but should be recruited from all classes who satisfy the tests of efficiency and character. Sir, our future self-government—and I would like the question to be approached from this point of view—must not be dependent for its functioning upon a military class recruited largely from certain areas and classes only. A system like that might very easily prove

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to be a menace to the civil power. Sir, the Statutory Commission has itself pointed out the possible dangers of the present system to the civil power in India. At page 167 of volume 2 of the report they say :

"The rank and file of the Indian Army are not drawn from all over India but from certain martial classes who themselves largely represent former masters of parts of India, so that the problem of providing them with a non-British command is quite peculiarly difficult".

They say that the present system cannot be changed except perhaps very very slowly and they use that as an argument for the retention of the British personnel and the British troops in this country. But I would say that the lesson to be drawn from their observation is that, if you shut out certain peoples and provinces from enlistment in the army, you make it possible for certain classes and provinces to dominate other classes and other provinces. Therefore it is necessary to have a wider basis of recruitment, wider areas both territorially and racially. My main ground is that we want to avoid the establishment of a military class upon which the civil power will have eventually to be dependent when India attains self-government. Democracy can never function in this country satisfactorily unless the basis of recruitment for the army is radically changed.

Then, Sir, I come to another point. It is not unnatural that federating units or federating provinces which contribute towards defence expenditure should wish to have a share in the defence personnel of their country. Sir, why should Assam or why should Bengal contribute to the defence expenditure of this country when Bengalis and Assamese cannot get admission to the rank and file of the army? It is not fair to the people of these provinces that they should be denied the opportunity of serving their country in the army of their own country.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: Have they ever offered themselves?

THE HONOURABLE MR. P. N. SAPRU: The old ideas of professional armies have given place in the modern world to national armies and in order that the army must be a national one it is necessary that it should be open to all. The best fighting material, Sir, I would venture to submit in all humility, can be supplied only by a national army imbued with a national spirit and dominated by a national outlook. A professional army can never have the fire and the zeal of a truly national army. Sir, it is also necessary to develop a martial spirit in the people in this country. If you shut out peoples of certain provinces from enlistment in the army, then you dry up the martial spirit in those peoples altogether. You kill that spirit. You cannot kill that spirit and then invoke that spirit at a time of national crisis as in the Great War. Therefore, Sir, it is a reflection on the manhood of India that peoples of certain provinces find no place in the army of their own country. There is, I would submit, plenty of good material all over India. At one time the various kingdoms in India used to have their own armies recruited largely from their own areas. We had, for example, the Telugu and Tamil kingdoms in the south, from which my Honourable friend Mr. Chari hails. Then, Sir, we had the Maharashtra power in Bombay and it had its own Mahratta armies. The Nawabs of Bengal had their own armies. Sir, there are traditions of military glory among the people of these various provinces. I would respectfully say that there is not much force in the contention that the races in India are of different military capacity and that therefore recruitment has

to be confined to particular areas and communities only. Sir, this argument ignores the fundamental fact that the present policy dates from the time of the Mutiny or the Indian War of Independence, as we prefer to call it, and that it is a deliberate policy pursued for reasons not very difficult to understand. Further, I do not believe in what is called heredity. You may transmit certain diseases; but you do not transmit moral qualities. You do not transmit character and in any case human nature is not a constant quantity. Environment has a greater influence over a man's life, over a man's character than what is called heredity. Deliberate, conscious, effort by organised community can work wonders and we know by actual experience that in the modern world there are countries which have shown that you can, if you want to, change the fundamentals of human nature. Sir, it is to me inconceivable that there should be whole areas in this country without men who have a genius or capacity for military leadership or military work and therefore I would urge that the rank and file of the army should not be closed to those who desire to serve their country in the army. You ought not to shut out men from enlisting themselves as soldiers simply on the ground that they belong to certain castes or that they belong to certain classes or certain areas. Sir, I am not a believer in the social fabric of present-day Hindu society, but I would say that though there are certain difficulties which I recognise, those difficulties are not of such a character that they cannot be overcome. You can build your tradition. Traditions can grow provided there is the desire and there is the will to build up a military tradition. Healthy and sturdy men are to be found in all classes and in all provinces, including the province from which my Honourable friend Mr. Suhrawardy hails. Sir, it is necessary to remove this slur on the manhood of India.

Now, Sir, these general considerations lead me to examine the present position. The present position is explained at page 97 of the first volume of the Statutory Commission's Report. Now, Sir, they attach a map and there you will find the present figures for recruitment. The total strength of the Indian Army is given as 158,200. Now, Sir, what are the figures? The North-West Frontier Province contributes 5,600, Kashmir 6,500; Punjab 86,000, Baluchistan 300. Nepal, which is not a part of India, contributes 19,000. Gurkhas can only be looked upon as professional soldiers who have no direct interest in this country. The United Provinces contribute 16,500, Rajputana 7,000, Central India 200. Central India has great traditions of military glory. Bombay 7,000. At one time Bombay was a competitor, at any rate the Mahrattas were competitors, for supremacy in this country. They contribute only 7,000, Central Provinces 100, Bihar and Orissa 300. It is the most thickly populated province in India and I do not think it can be said that all the 40 or 42 millions in Bihar are incapable of becoming soldiers. Bengal contributes not a single soldier, Assam not a single soldier. Sir, my Honourable friend Mr. Barua will be able to press the claim of Assam. Burma contributes 3,000, Hyderabad 700, Mysore 100, Madras 4,000 and miscellaneous 19,000. Therefore the position is that there are communities and areas in India which do not furnish a single man for the regular army. Sir, the Punjab supplies 54 or 55 per cent. of the total combatants in the Indian Army. I think, Sir, this is not fair to the other provinces. If you want to confine recruitment to the North-West Frontier and the Punjab, then, let them pay for this army. That is my offer to them. But the present arrangement, I say, is not fair to the federated units who have as much right to serve in the army as the Punjab and the North-West Frontier Province. (An Honourable Member: Then you would demand conscription?)

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Then, Sir, I would invite your attention to the castes and classes from which the army is drawn. According to the Indian Army List, these are :

Mussalmans—

1. Mussalmans (who include Pathans, Punjabi Mussalmans and Meos).
2. Punjabi Mussalmans (who preponderate in the Indian Signal Corps).
3. Hindustani Mussalmans.
4. Rajputana Mussalmans.
5. Mussalman Rajputs (Ranghars).

Pathans—

1. Niazi.
2. Khattaks.
3. Yusufzais.
4. Orakzais.
5. Bangash.
6. Mahsuds.
7. Adam Khel.
8. Afridis.

Kaimkhanis—recruited for the cavalry alone.

Kanets—not mentioned in the cavalry.

Sikhs—(Jat Sikhs are mentioned in the 2nd Punjab Regiment by way of exclusion).

Hindus—mentioned as such only in the sapper and miner regiments.

Brahmans—mentioned only in the Escort to the British Envoy to Nepal.

Rajputs—

1. Rajputs.
2. Rajputs (United Provinces and Eastern Punjab).
3. Rajputana Rajputs.
4. Kumaoni Rajputs—mentioned in the infantry alone.
- *5. Garhwali Rajputs.

Jats—

1. Jats—mentioned as such in the cavalry alone.
2. Jats (United Provinces and Punjab).
3. Jats (Punjab and Delhi).
4. Rajputana Jats—mentioned as such in the infantry alone.

Dogras—

Gujars—in the infantry alone.

Ahirs—(Punjab, Delhi and Rajputana).

Garhwalis—

1. Garhwalis.
- *2. Garhwali Rajputs.—The name occurs in the printing section of a sapper and miner regiment where it is mentioned that of the Hindus, one-third may be Garhwalis other than Garhwali Rajputs.

Mahrattas—in the infantry and sapper and miner regiments alone.

Madrasis—in the sapper and miner regiment only—photo-litho section.

Kachins

Chins

Karens

Gurkha Regiments—

Indian Cavalry Composition—

1. Punjabi Mussalmans.
2. Hindustani Mussalmans.
3. Mussalman Rajputs.
4. Rajputs (United Provinces and Eastern Punjab).
5. Rajputana Rajputs.
6. Sikhs.
7. Jats.
8. Dogras.
9. Pathans.
10. Kaimkhanis.

Indian Signal Corps—

1. Punjabi Mussalmans.
2. Sikhs.
3. Dogras.
4. Madrasis.

Sappers and Miners—

1. Mussalmans.
2. Hindus.
3. Sikhs.
4. Mahrattas (printing section).
5. Madrasis (photo litho-section).

Well, Sir, I was examining the recruiting manual and I find that there are no recruiting centres for the army in large parts of India. You have in the North-West Frontier Province a recruiting office at Peshawar, then in the Punjab there are offices at Rawalpindi and Jullundur, then in Delhi, then for the United Provinces at Meerut, Agra and Lucknow and for Bombay you have a recruiting officer's headquarters at Poona, and in Gorakhpur in my own province for Nepal, and at Maymyo in Burma, but there are no recruiting officers' headquarters in Bengal, Bihar, Assam, Orissa, Sind, and several other provinces and large areas of the country. Now, Sir, so far of course the system has worked because your object was different and you were relying more or less on British personnel and British officers. But now, your object has changed and with this change of object there ought to be a change of policy also in regard to recruitment.

Sir, I could quote from many books and many reports to show that there are races and classes and castes in these excluded areas which have glorious military traditions but I refrain from going into all these quotations and I will wind up by saying once again that this is a matter which ought not to be looked at from a merely provincial point of view. I would ask my Honourable friends from the Punjab to be generous in this matter. They have vested interests in the Punjab and it is possible that on account of these vested interests they cannot view the problem in its proper proportions. I would ask them, I would beg them, to rise above this provincial feeling, to rise above this class or caste feeling, to approach this problem not from the point of view of what is good for the Punjab or for the North-West Frontier Province, but from the point of view of what is good for the country in which we live. (An Honourable Member : "Self interest".) Sir, I say again it is a very right desire on the part of the other provinces, it is, I say, a very just desire, a very natural desire, on the part of other provinces that their men should be allowed an opportunity to serve their country and their King in the army and if you deny them this privilege then you are denying them one of their basic birthrights.

Sir, with these words, I move.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal : Non-Muhammadan) : Sir, I have the greatest pleasure in supporting the Resolution of my Honourable friend Mr. Saprú. It is really an invidious and a galling distinction that has been observed in the selection of the

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different units for the Indian armies. Why some sections of the people have been tabooed as non-martial is more than I can comprehend except it be due to incomprehensible political reasons. As a man from Bengal I have always felt it as a matter of great shame, regret and reproach that the Bengalis are not taken into the active military ranks. In any scheme of self-government military training is an essential factor for all the peoples of the country irrespective of creed, caste, colour or province. It is in fact a necessary preliminary to political advance. It is really unthinkable that an intelligent and resourceful race of 50 millions could not be made to produce at least 10,000 soldiers to live and die for the defence of their motherland. It cannot be said that the Bengali youths are bereft of the virtues of disciplined service and co-ordinated action. It is trust that begets trust and I am sure the youths of my province would gratefully respect any trust that will be reposed in them. Military training and service would infuse fresh courage, instil new hopes in their minds and inspire them with the spirit of service to their country. Given the opportunities and the necessary training the Bengali is sure to achieve success on the field of battle. This has been amply proved by the conduct of the 49th Bengalis in Mesopotamia during the Great War. While besieged at Kut-el-Amara they cheerfully shared with their comrades-in-arms all the privations and sufferings incidental to such a long and fateful siege.

(At this stage, the Honourable Nawab Khwaja Habibullah of Dacca and the Honourable Lieutenant-Colonel Nawab Sir Mahomed Akbar Khan rose to interrupt.)

THE HONOURABLE THE PRESIDENT: Two Honourable Members cannot speak at one and the same time.

(Thereupon the Honourable Lieutenant-Colonel Nawab Sir Mahomed Akbar Khan resumed his seat.)

THE HONOURABLE NAWAB KHWAJA HABIBULLAH OF DACCA (Bengal: Nominated Non-Official): On a point of information, Sir. I wish to know whether the 49th Bengalis were at Kut-el-Amara during the siege of that place?

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: Yes, I think so.

THE HONOURABLE NAWAB KHWAJA HABIBULLAH OF DACCA: I do not think so. I was one of the 49th Bengali Regiment myself.

THE HONOURABLE MR. HOSSAIN IMAM: What was your experience?

THE HONOURABLE NAWAB KHWAJA HABIBULLAH OF DACCA: I shall give it later on. We were not in the siege of Kut-el-Amara.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal: Non-Muhammadan): Perhaps it was the Bengali Ambulance Corps?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: With your permission, Sir, may I ask the Honourable Member why the battalion was disbanded? If it had rendered distinguished services, why was it disbanded?

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: The authorities must know it. The wonderful discipline exhibited by them in the war zone led us naturally to expect that the 49th Bengali Regiment would be allowed to continue to serve in the Indian Army as a permanent unit but unfortunately for reasons best known to the authorities they were disbanded as soon as the war was over. This was felt as a great disappointment to us. This meant in a way that the Government did not fully trust the Bengali but if you trust them I am sure it will be reciprocated a thousand times. Autonomous Bengal will be meaningless if the doors for entrance into the army are not thrown open to the children of the province to enable them to protect their country from foreign invasion and their hearths and homes from internal commotion.

Sir, if I am permitted to refer to historical facts I can give instance after instance where the Bengalis formed units in the armies of Hindu and Mussalmah kings of Bengal. I know from a study of the history of Bengal that Bengali Namosudras composed the rank and file of the last heroes of Bengal, Pratapaditya of Jessore and Raja Sitaram Rai of Harihar Nagar. The famous Mainahati was the general of Raja Sitaram Ray's army and was a Namosudra by caste. Several other men belonging to caste Hindu community were the generals of Pratapaditya of Jessore. Again, it is matter of history that these Bengali Namosudra people with the force of arms defeated the big Moghul army during the reign of the great Akbar, and Pratapaditya conquered the area up to Raj Mahal within six months with the help of these Namosudras and other Bengali people, who had the courage and boldness to fight the Moghul army under the great Akbar. These people, the Namosudras, took to cultivation after they were disbanded when the Bengali rajas lost their kingdoms.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: When was that? Could you quote?

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: It was something like 350 years ago.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: I will give you instances. That is my subject—history.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: Now, all these facts go to show that the Bengalis, if trained, would become very good soldiers and great soldiers. Again, it is also history, furnished by an Englishman, whose veracity has never been questioned. This is what James Stuart in his report to W. B. Bayley, the Registrar Nizamat Adalat, dated the 5th February, 1818, says about the Bengalis forming units of military battalions:

"Those who think so meanly of the Bengali surely forget that in an early period of our military history, they almost entirely formed several of our battalions and distinguished themselves as brave and active soldiers."

The reference is to the fifth report, paragraph 37 of the Appendix. I need also hardly repeat because it is a very well known fact that but for the un-common valour at the moment of the Bengali and the Telangi soldiers who composed his army, Lord Clive would never have been victorious on the field of Plassey.

It will perhaps be said that as the Bengali youths have not shown sufficient enthusiasm to join the University Training Corps the question of enlisting them in military service cannot arise. But what is intended by this

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Resolution is not to raise a volunteer corps but to recruit people to form a regular part of the army which is not yet open to the Bengalis. Volunteering is quite different from taking to military service in the real sense; as a profession volunteering does not in any way affect unemployment which is one of the reasons why Bengalis have now become anxious for military service. After all that I have urged, if recruitment of Bengalis to the active ranks in the army is further delayed it means nothing but doing them a grave injustice. Nobody is born in this world with military instincts, and courage is not the monopoly of any particular class or community. It is the training and environment that makes a man take to militarism. What I have said about the Bengali can also be applied with equal if not greater force to other provincials who have been characterised, I may almost say slandered as belonging to the non-martial group.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, I had no idea of participating in the debate on this Resolution, but when my Honourable friend Mr. Sapru repeatedly came out with the North-West Frontier Province and the Punjab, he forced my hands to say something on the subject.

THE HONOURABLE MR. HOSSAIN IMAM: The North-West Frontier comes in only fifth on the list.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: But how many are there in the Militia? How many are there in the other military services? If you take their numbers as a whole, they will come to as big a total in the Militia guarding the frontier, such as the Khassadars, as the number of Punjabis, so I cannot leave the question undefended.

THE HONOURABLE MR. HOSSAIN IMAM: Khassadars are not included in this Resolution!

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: They are included in the forces coming under the army.

My friend said something about environment. I agree with him there. The environment in the North-West Frontier Province and the Punjab is such that it makes the people hardy, capable of enduring any hardship, and makes them very good material for the army. Both the climate and the life contributes to that end. Then, Sir, I have my doubts as to whether the meagre pay which the sepoy gets will appeal to the peace-loving people of Bengal and the United Provinces and induce them to serve and risk their lives. I think that even if recruitment were thrown open, not many would take advantage of it. Because, during the Great War, everybody was wanted, but did they come forward? No. Of course if they want to bring in conscription or compulsory universal army service system on the Continental system here, that might make them soldiers, but if it is a voluntary system, I do not think the people of Bengal and Assam and many of those of the United Provinces would care to accept the meagre pay which the soldier gets. Why are the men of the North-West Frontier Province and of the Punjab spread all over the world? Why are they more enterprising? Because they have not the resources of comfortable living in their own provinces. If they had the

means and they could live comfortably, they would not care to leave their homes and go to China, to Australia and other parts of the world. They go simply because they have not got sufficient resources in their own provinces. It is this which has made them hardy soldiers and enterprising men. (An Honourable Member: "What about the raids?") Raids help to give him experience in the art of defending himself. He is ever on the alert against surprise. He cannot be surprised like the Hindus were by Mahmud of Ghazni. The raids keep them fit for military service.

Then, Sir, the Honourable Mr. Sapru said something about the national armies of India in ancient days. Well, I know my history very well. I did not hear him, but perhaps he was referring to the armies of Magadha and the armies in the Deccan before the Muhammadans came. There is no doubt that national armies existed in India even before the invasion of Alexander, but let me remind him that when Alexander the Great came at the head of his Macedonian troops he found the national armies of India an easy prey. The same was the experience of the Arabs. Muhammad bin Kasim at the head of 10,000 troops found it quite easy to conquer the whole of Sind. He was recalled by the Khalif owing to certain disputes between them and so he could not proceed further with his conquests. But Mahmud of Ghazni early in the eleventh century again found the same thing. Mahmud invaded India at least 17 times, and every time he surprised and defeated the national armies of India through the rapidity of his movements and hardihood of his soldiers. They could march 20 to 30 miles a day, which was impossible for the peace-loving national armies of India. Again the same thing occurred when Muhammad Ghori invaded India. He had also national armies to cope with, and he came with a force which was a mere handful in comparison. Yet he defeated the national armies of India because his troops were better and more disciplined, animated with one idea, the will to conquer, which he had infused into their minds.

Now, my worthy friend who spoke last was saying something of the exploits of Bengal. Let me remind him of one historical fact. After Muhammad Ghori had defeated Raja Jai Chand of Kapauj in 1195 he sent Bakhtiyar Khilji with 100 men as a sort of reconnoitring patrol towards Bengal. Bakhtiyar Khilji was away two months while the King was engaged in details of administration with his viceroy Qutb-ud-din-Aibak. In the meantime news came that Bakhtiyar had conquered the whole of Bengal and Assam and that the Maharajadhiraj named Maharaja Lakshmaniya had been brought in chains together with 20 crores of cash and several thousands of elephants and other booty. The King said to Bakhtiyar Khilji:

"You have entirely thwarted my plans. It was my intention to invade Bengal, so that some credit should come to me in history for conquering Bengal". But Bakhtiyar said, "Your Majesty, I could do it with a hundred men and I did not want to worry Your Majesty".

That is a historical fact which anybody can verify. Also the same Bakhtiyar Khilji, not satisfied with conquering Bengal, crossed the river Brahmaputra and went into Tibet. He came across Ghengiz Khan, and of course Ghengiz Khan had an even finer army than that of Bakhtiyar, and the latter was defeated. He was defeated as soon as he met a better and more disciplined force. So that Bakhtiyar Khilji was not invincible; he was an ordinary mortal. (An Honourable Member: "He had very long arms".) He may have had long arms but he was an ordinary mortal. He was defeated by Ghengiz Khan, but where the conquest of Bengal and Assam was concerned it did

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not want more than a hundred men and with that force he brought in the Maharaja Lakhsmaniya in chains. Therefore, Sir, I do not think those old national armies of India can be said to have been of very good fighting material. When the British Government began to conquer India, I think at first Lord Clive was the first man who brought in forces from Madras and he conquered Bengal with Madras soldiers. Lord Clive found out later on that the Bengali was better fighting material than the Madras and that is why he began to recruit the Bengal army. I will give you the history of the whole thing.

THE HONOURABLE THE PRESIDENT: You have got only one minute more!

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: After the battle of Buxar the British authorities found out that the Purbia people from the United Provinces were better material than Bengalis; so they began to take Purbias and that remained so till 1857, the Mutiny, but when Lord Hardinge and Lord Gough fought the Sikhs they found out in the Sikh War that the Sikh and the Punjabi soldiers were still better than Purbias and that is why after the Mutiny of 1857 they discontinued the recruitment of Purbias to a great extent and began to recruit from the Punjab. Well, Sir, the Great War too proved that the Punjab and the North-West Frontier men were better material as a fighting unit than the rest of India, because they came in great numbers and the experience that we gained after the war proved that they were better material. Now, Sir,—

THE HONOURABLE THE PRESIDENT: Will you please conclude your speech now?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: I will just ask my friend, the Honourable Mr. Sapru, if he was going to employ a certain servant, will he try to get an efficient servant or an inefficient servant? The Government of India and all the provinces would like to have the best material for their money. They are the pay masters and pay masters will always have the better material. When they can find better material, why should they be asked to recruit deficient soldiers who after a very long training will still remain deficient. Why should they? Why should they not have the better material? That is another argument of mine, Sir. And the last argument that I was going to use—I do not know if I have already used it—was that it is simply the hard living and the climate that has made the Punjab and North-West Frontier men fit for the army, because they have not got the resources that the rest of India have.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON (Punjab: Nominated Non-Official): Sir, the Resolution moved by my Honourable friend Mr. Sapru may sound quite all right theoretically, but I beg to submit, Sir, that when put in practice it will not prove a success. My Honourable friend was pleased to call the present army a mercenary army and still he wants that additions should be made to this mercenary army from his province and other provinces. I cannot understand that, because when he proposed that recruits should come from Eastern and Southern India he never said that these recruits would not expect any pay and so need not be paid—

THE HONOURABLE MR. HOSSAIN IMAM: Is any army unpaid?

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: He said "mercenary army". These are words that I take exception to. I do not doubt the pluck and courage of my brethren from the south or the east of India, but the question is, as my Honourable friend Nawab Sir Mahomed Akbar Khan has said, one of environment. For us, Punjabis, a military career is one of necessity. We had for the past several centuries to defend our hearths and homes and have therefore had to adopt this career. Even now if there is any invasion the danger is from that corner, and we in the Punjab and the North-West Frontier cannot wait till our brethren from Assam and Bengal come to our rescue. Then, Sir, the soldier has to be a very hardy human being. The climate of the Punjab and the North-West Frontier Province is extremely cold in the winter and extremely hot in summer and that is why the soldier from Northern India can stand any climate. As far as I can gather, Sir, there has not been any genuine demand for military employment by the people of those provinces to which reference is made in my Honourable friend's Resolution.

THE HONOURABLE MR. HOSSAIN IMAM: How is it judged?

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: I will tell you, Sir, if you wait. I believe a few years back it was proposed to raise some territorial battalions in the capital of Eastern India, and if I am not wrongly informed, the quotas were never completed. The scheme proved a failure while the very scheme proved a success in Northern India.

THE HONOURABLE MR. HOSSAIN IMAM: When was that?

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: On the last occasion that His Excellency the Commander-in-Chief spoke he said they could not complete the battalion in Calcutta. Then, Sir, military employment is not a very lucrative one—

THE HONOURABLE MR. HOSSAIN IMAM: Then why stick to it?

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: I will tell you. The pay is very small and I doubt if on that small pay my friends from the south and east of India would like to come and serve on the Frontier.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): They are willing.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: The military authorities might or might not make some distinction. But I know and you all know that in the Great War there was a great demand for recruits and I do not believe that any big offer from any of those parts of the country was refused.

THE HONOURABLE MR. HOSSAIN IMAM: Were the conditions the same?

THE HONOURABLE THE PRESIDENT: The Honourable Member should not interrupt.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: I do not mind it, Sir.

THE HONOURABLE THE PRESIDENT: I do not think you should mind it, but it is too much.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: I do not remember there was any such big offer. Even now, Sir, if my Honourable friend comes forward with an offer to produce 500 men of the same tribe from the same tract, the military authorities may be pleased to try them, I would beg His Excellency the Commander-in-Chief to take those people and send them to Razmak for training, because the best field for military training is the Frontier, and I doubt whether my brethren from those parts of the country will either find the climate of the Frontier very congenial or the living there very comfortable.

With these remarks, Sir, I oppose the Resolution.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, it is with feelings of great pleasure that I am taking part in this most important discussion. It is a matter of great pleasure, Sir, because I find that every day the opportunities when an elected Member can vote with the Government are becoming very rare and I am glad that this Resolution has provided me an opportunity where I can certainly vote with the Government and while doing so, I shall be representing the wishes of my constituency.

I congratulate my Honourable friend Mr. Sapru on the moderation of his tone in his speech. Except for one word to which reference has already been made by my Honourable friend, Nawab Sir Mohammad Hayat Khan Noon, I think his speech set a very good example for the discussion. He called the present army professional and mercenary.

THE HONOURABLE MR. P. N. SAPRU: Sir, I called it professional—I do not know if I called it mercenary also. If that word
3 P.M. hurts my Honourable friend, I have no particular desire to use it.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I thank you very much. I am very glad, Sir, my Honourable friend has withdrawn that word. So far as "professional" is concerned, I am not ashamed of it, because after all there are respectable professions and it is not always necessary to disown that one belongs to a particular profession. This army profession was started as early as probably history can take us. It was at the time when the original caste system was formed that a division was made and this profession of fighting was really set apart for one class of people who were called Kshatriyas. So, in other words you can say that the Kshatriyas according to the old Hindu caste system were the professional warriors. Therefore, if the Army Department say that a certain class provides the largest number of recruits and calls it "professional", we should feel rather proud of it.

My Honourable friend Mr. Sapru said that it is the environment which makes a soldier. Now, Sir, looking at this country, we all know that this large army is kept mainly because whenever there is any danger of India

being attacked, it is from the north. Now, Sir, the climatic conditions between Madras, Assam, Bengal and the Frontier Province are so different that it would be hardly fair to expect a Madrasi to stand the climate of the North-West Frontier in the month of June or July.

Sir, when I oppose this Resolution, I may assure my Honourable friend that I do so not from any communal, racial or territorial bias, but merely from considerations of common sense and necessity. Suppose the Government of India decided to raise a navy, and I found on the list that a larger number of recruits were derived from those places which are situated just on the seaside, I would not come forward here and say: "No. Although my part of the country may not be able to supply efficient men for the navy, you must recruit them from the Punjab". That is not the right spirit in which my Honourable friend referred to responsible government. Are we not here to prove to the world that India is one nation? And if that is so, are not those classes from which the recruits are obtained sufficiently national to give a national army to the country? It is a matter of necessity, Sir. As far as I know, in Calcutta, in Bombay, almost everywhere, these big merchants and millionaires have durwans to guard their houses and property, and everybody knows that the class of people who work as durwans and guards to protect these people from thieves and robbers are either Pathans from the North-West Frontier or Bhayyas. There are only two particular classes from which those people get the men to guard their own homes. So, when we talk about the army we must talk with a sense of responsibility and see that we do not do anything which would adversely affect the efficiency of the army. As a matter of fact, the whole misunderstanding seems to have arisen from this so-called difference between martial and non-martial classes. As a matter of fact, there is no such thing as a martial or a non-martial class. For instance, Sir, here I have a list which gives 32 classes from which the present army in India is recruited. You will see that they are neither confined to Hindus nor to Muhammadans nor to Sikhs nor to any particular religion nor to any particular part of the country. (An Honourable Member: "What about Sayyids?") The number of Sayyids now in the army is over a thousand. (An Honourable Member: "What about future recruitment: are they eligible?") I think we are discussing that Resolution tomorrow and my Honourable friend would not like me to speak on it today.

This list, Sir, includes Pathans, Baluchis, Baltis, Punjabi Mussalmans, Mussalman Rajputs (Ranghars), Meos, Hindustani Mussalmans, Rajputana and Central India Mussalmans, Dekhani Mussalmans, Madrasi Mussalmans, Sikhs, Dogras, Gurkhas, Garhwalis, Kumaonis, Rajputs, Jats, Brahmans, Mahrattas, Ahirs, Gujars, Christians (Madrasi), Adi-Dravidas, Tamils, Telugus, Burmans, Chins, Kachins, Karens, Shans, Mers, Christians (Punjab). Now, Sir, after hearing this list, is there any Honourable Member in this House who will consider that the Army Department have tried to exclude any particular community or class from their recruitment? (An Honourable Member: "What about the Vaishya community?") As the term itself shows, these men are traders who should not expect to be asked to deal in military matters as well. (An Honourable Member: "But Brahmans are taken?") (Another Honourable Member: "Are not sweepers and dongas taken?") They are, Sir. I was talking about the Punjab. You will find that in the Punjab the number of Mussalmans in the regiments is about 50,000. Now there are hundreds of castes and sub-castes in the Punjab but the recruitment is confined just to about 15 classes. I would not like to take the time of the House by reading them out but I will tell them that there will be found a great difference. For instance, the number of Rajputs is 16,000, while there are equally important

[RAJA GHAZANFAR ALI KHAN.]

communities who only provide 300 or 400 recruits. Then, Sir, another thing we must bear in mind is that it was after the Mutiny of 1857 that this so-called distinction between martial and non-martial classes was made. As a matter of fact, nobody has so far explained what connection there is between the Mutiny and the classification of the army after it.

THE HONOURABLE MR. P. N. SAPRU: If my Honourable friend wants to know the connection between the Mutiny and the present policy, he had better read the reports of 1859, 1879, 1912 and 1913.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I never mentioned the word "policy". What I said was, "What has the Mutiny of 1858 to do with the classes which are supplying recruits now?" It is not a question of policy. The real thing is that, if the implication is that the Government, after having experienced that there are certain classes which are not amenable to military discipline and who cannot be always relied upon for standing by their officers and standing by the Government they are employed by, if the Government have then excluded certain classes, I think they are wise in having done that and the Members should support that. (An Honourable Member: "What about the rebellion in the Punjab?") The Punjab was only recently annexed. Till then, the Government did not know what sort of material the Punjab would provide for the army and after having that experience, Sir, now they realise that it is really the Punjab people who are the best soldiers. At the same time, my friend said that there is no such thing as hereditary. I do not agree with him there. Even in animals, even in racehorses, we ask, "Where is the pedigree?" What is that? Is it not heredity? I can assure him that even amongst human beings there is such a thing as heredity. In our part of the country, some people have for generations been enlisted in the army and I can assure him that they will make much better soldiers than any other community which has not supplied any soldiers hitherto. At the same time, I do not agree with my Honourable friend Nawab Sir Mohammad Hayat Khan Noon that it is a matter of necessity in the Punjab. The Honourable Nawab Sir Akbar Khan said that we have no money and it is only for the sake of Rs. 20 that we are prepared to join the army. That is entirely wrong. During the Great War, I remember instances where from villages widows came with their young sons and got them enlisted in the army knowing fully well that after drawing Rs. 15 or Rs. 20 per mensem for one year, or six months, there was a chance of their being shot.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Because they had no money. I was a recruiting officer.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Because they had no money?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Yes; it was purely a question of money.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am certain that my Honourable friend is making a reference to his own wonderful province where they are accustomed to shoot down a man when he is carrying a loaf of bread! Punjab is different from the Frontier Province, and that is why the number of soldiers from the Frontier Province is so small.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: With your permission, Sir, may I tell the Honourable Member that in his own place, in Jhelum, they are starving for bread! There is starvation all over. They take up employment on Rs. 4 a month.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I would be glad to know if everybody in the Frontier Province is paying super-tax like my friend the Honourable Nawab Sir Akbar Khan?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Mine is an individual case.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I can assure you that such people are very rare. I have never heard that there are many in that wonderful country where he comes from!

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: I never used the word "necessity" as necessity for money. I said "necessity for defending our home and hearth".

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I referred to my Honourable friend the Colonel Sahib from the Frontier Province.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: You are a starving people!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The most important thing is whether it is practicable for His Excellency the Commander-in-Chief to give an undertaking that the recruitment in the future will be from all classes. Suppose there is a regiment which wants 20 recruits. There are 33 crores of people in India. Would you desire the recruiting officer to go all over the country, to every nook and corner of India, to pick out who are the best 20 men? (An Honourable Member: "No".) If that is not your desire, then why not leave the military to pick out the best men from those classes, from those areas, from those parts of the country, where people have already been tried?

THE HONOURABLE THE PRESIDENT: Your time is up.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I have said, Sir, all I wanted to say.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammad): Mr. President, the Resolution which my Honourable friend Mr. Sapru has moved is a natural evolution of the future changes which are contemplated. As long as India was considered a minor who had no responsibility, our guardians were empowered to do what they liked with us. But when it is assumed that we are able to take care of ourselves, and that defence is going to be more and more the concern of India, then we require that we should be consulted. Great exception was taken by the vested interests of the Punjab to the fact that others are now trying to stop the army being the preserve of the Punjabis. They came out with patriotic motives that they want to defend India. That is exactly the same thing which England is stating here today. They also say they are here to defend us. It is exactly in the same manner.

[Mr. Hossain Imam.]

that the Punjab wants to defend us in order to enrich itself. There is no difference between the Punjab and Britain in this respect. The cry of efficiency has been taken up from the Britishers, and there is no other reason for it. Is it not a historical fact, Sir, that the Punjab itself was conquered by an eastern army? Is that not sufficient in itself? Is it not a fact that the Sikhs were able to conquer the Mussalmans and Hindus of the Punjab? Can that be denied?

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: They were also Punjabis.

THE HONOURABLE MR. HOSSAIN IMAM: 14 per cent. conquered the 86 per cent. 56 per cent. of the Punjab are Mussalmans. The whole of these combined were conquered by the British Army with the Eastern Telangis and the sepoys of old. That is my reply to the inefficiency bogey which is raised up whenever we want to have the preserve of vested interests disturbed.

Now, Sir, I come to the merits of the Resolution. It does not say in so many words that Punjabis should not be recruited. It does not mean that those who are in the army already should be turned out. What it says is that those people who have not been given a chance to prove their merit, those about whom your opinion is one-sided in view of their exclusion, should also be given a trial. We used the word "experiment". We in India have two kinds of armies of occupation. One is the British Army which is well-known to be here to safeguard the interests of Great Britain. The other is the army which is recruited outside British India. I refer to the 19,000 men who are recruited from Nepal. If the Punjabis are so keen on not having their preserve disturbed, they can join hands with us and ask that these 19,000 men who are recruited from outside the Kingdom, who can in every sense of the word be called "mercenary" because they are not defending their home or hearth—they are not here for that purpose—could be replaced by an eastern army. Would it be too much to ask for this?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: We have no objection to that.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Ask your Leader. We have no objection.

THE HONOURABLE MR. HOSSAIN IMAM: It is a wrong policy on the part of those who have vested interests to attribute motives to every demand for reform. This is what they are doing at the present moment. This is the very thing which is rankling in the minds of the Punjabis. My Honourable colleague from the Frontier Province asked why the men did not join during the Great War. That is a pertinent question, I admit. But do you realise the difference between recruitment now and recruitment during the Great War? There is this difference that the prospect of military life was not there. Here, you can train them up, inculcating in their brains, in their minds, the military spirit. (*An Honourable Member*: "Inject!")

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: May I put a question? During peace time they should serve, and when war comes, they should not! That is what it comes to.

THE HONOURABLE MR. HOSSAIN IMAM: Do you expect a child, who is not able to stand up, to stand up and run at once? You do not allow him to do that. You cannot blame him because he does not run. It is the same thing. We have been disarmed, we have been kept away from the army, we have been demilitarised, and you turn round on us and say we have not the military spirit. Is it not the Punjabis who have to be condemned for taking away this spirit from us? Can India continue to remain dependent on the strength of one part of it? And that part, too, which is open to all sorts of ravages by the northern bears. Always it is the Punjab which has fallen first and we have come last. (*An Honourable Member*: "Why do you say the Punjab took away your spirit?") If it had been able to defend itself well then India would not have been invaded through all these centuries from time immemorial. The Punjab stands the brunt, Sir, but it is never able to stop the advance of the invading hosts which have swept like an avalanche over the whole of India. And when the avalanche came from the eastern side, even then the Punjab was not able to safeguard itself and keep its own integrity intact. (*An Honourable Member*: "But you did?") We were the last to fall on most occasions. But in that respect Burma has precedence over the Punjab. Burma fell to the British even after the Punjab. Yet from that province the Commander-in-Chief recruits less than 3,000 men while he recruits 86,000 from the Punjab! On the score of being the last to fall, Burma ought to have the palm and not the Punjab!

Sir, I was referring to the fact that at present the Indian Army is recruited on two bases, one is the cast basis and the other is the territorial basis. For each regiment a district or division or part of a district is assigned as a recruiting area, and then in that area the castes eligible for recruitment are set down. Our point is, Sir, that while you cannot do without specific recruiting areas for individual regiments, it is not necessary to restrict the recruitment of certain castes. That is one way by which, directly or indirectly, the British Government is trying to perpetuate all the vagaries of the caste system and the segregation of the depressed and other classes, and is helping to set up a bar against a man merely by reason of his birth from entry into the army. Is that in keeping with the pronouncement of Queen Victoria, which forms the basis of the connection of the Indian people with the British Crown? Is it not stated there that caste and creed will not stand in the way of entry into the Government services? You are by your actions repudiating what Indians regard as their Charter.

Then, Sir, what is our demand? Our demand is very simple. We do not ask for any leniency or whittling down of the standard and physique required. We say, get the very best possible person you can, but, for goodness sake, do not refuse them on grounds of caste. Let only the best man be taken. And the greatest strength to our case is added by the action of His Excellency the Commander-in-Chief himself. If a man outside the military caste is fit to be an officer in the army, I wonder who can say he is not fit to be mere fodder for cannon? Government by its own action has admitted that a military oligarchy cannot be maintained in the leadership of the army. We want them to go one step further and declare that there ought not to be a military oligarchy in the ranks.

With these words, Sir, I support the Resolution.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Mr. President, my friend the Honourable Mr. Sapru has carefully avoided the words martial classes and non-martial classes in his Resolution and

[Sir Phiroze Sethna.]

he has asked that recruitment for the Indian Army should not be confined as at present to certain classes only. While however, he has used the words "certain classes" one naturally infers that he means thereby the so-called martial classes. It was only yesterday in the other place that an Honourable Member took up the question of recruitment from the non-martial classes, and the Army Secretary informed him that His Excellency the Commander-in-Chief was going to make an important statement in this House today and that it would be preferable if the speaker avoided the subject, and he did so. I need not assure His Excellency that we await that interesting statement which we hope he will make today. We trust that in that statement he will give us hope that hereafter, whatever may be the case now, the doors of the army will be open to those communities and those classes to which evidently they are at present closed.

Mr. President, the question of the martial and non-martial classes was discussed threadbare in the different military committees. The evidence before the Skeen Committee was predominantly in favour of including in the officer ranks men who may not be said to belong to the martial classes. I may be allowed here to mention that we do not know who actually form the martial classes and who do not, and if in his reply His Excellency will tell us who in the opinion of Government are the martial classes, whether they are people living above a certain latitude or otherwise, we should be very glad to have the information. Sir, in the Skeen Committee, as I have said, evidence was offered by many people and the majority were in favour of opening the officer ranks to the so-called non-martial classes. I would like to quote a few sentences from the evidence of no less a person than Sir Malcolm Hailey. He said :

"It may be asked whether it is advisable to continue to show any such preference to the military and land-owning classes as would seem to imply a desire to exclude men whose families are mainly engaged in commerce or industry or literary pursuits".

Again,

"If the further question were asked whether it is advisable to make this preference a fixed item in our policy, I would myself answer in the negative. I have seen very many men amongst the professional classes who would in my opinion make good officers".

Further,

"From my point therefore, so far as I am concerned in the selection of candidates for Sandhurst, I shall always be prepared to admit a proportion of men from the professional classes, provided that candidates come forward with the necessary physical qualifications and with the appearance of having the temperament to make good officers".

These are quotations from the evidence of Sir Malcolm Hailey. On the strength of that evidence and of other witnesses, the Skeen Committee recommended as follows :

"We therefore recommend that suitable boys from the professional and other classes should have exactly the same chance as any others. We too have heard the view expressed, it may be regarded to some extent as the natural view of vested interests, that Indian officers should be drawn from the so-called martial classes alone. But on the other hand there are some Indian officers in the army already who belong to the professional classes, and these have so far proved to be not only efficient but also, we are told, acceptable to the men".

Now, Sir, as my friend Mr. Hossain Imam pointed out a few minutes back, what applies to the officer ranks applies also to the rank and file. Therefore, if the door is opened to those communities from whom no recruits are received

at present I think it will be a very good thing. My friend Raja Ghazanfar Ali Khan said this is a case of common sense against necessity. I suppose it is common sense to have strong and able men, and that is the necessity. In the same breath he said, "You must not forget we are making India one nation". How can you make it one nation if you leave out certain classes and do not open the army to them? Therefore, according to himself it is very necessary that the door should be open to all, provided of course they are of the requisite quality and efficiency that is required by the military authorities. Now this question was taken up by the Defence Committee of the first Round Table Conference. I took there the occasion to quote a sentence from the Simon Commission's Report which said :

"Whereas the most virile of the so-called martial races provide fine fighting material, other communities and areas in India do not furnish a single man for the regular army".

This was a very sweeping statement to make, as I pointed out to the Defence Committee, and surely the authors of the report must have clearly forgotten that before the Indian Mutiny the army consisted not only of Punjabis and Sikhs but was recruited from other parts of the country and who were able to render a very good account of themselves. Before the Mutiny they were drawn from all classes of people.

My friend Mr. Sapru gave the total number of Indian soldiers in the Indian Army according to the Simon Commission's Report and I think he gave the figure as 158,200. He gave a detailed list of provinces and communities they came from and so far as Bombay and Madras were concerned, he gave the numbers as 7,000 and 4,000, respectively. I drew the attention of the Defence Committee to the opinions in regard to the Madras Army and in regard to the Bombay Army—not of private individuals but of men who held the important position of Commanders-in-Chief. Let me quote here the opinion of General Warre, Commander-in-Chief of the Bombay Army, which was given 25 years after the date of the Mutiny. He said :

"History has proved that the whole of the western coast is a military country producing a warlike population. The southern Mahrattas have proved themselves in former days and are still equal to any other race in India as a fighting people. Their power has been broken and their military ardour wrenched by almost total disarmament but they are still a hardy people, in a mountainous district, inured to toil, and especially good in tracing their steps over the rough and impracticable ghats. What more can you require to make soldiers?"

I now turn to the Madras soldiers and quote the opinion of another Commander-in-Chief, Sir Frederick Haines. He said :

"I cannot admit for one moment that anything has occurred to disclose the fact that the Madras sepoy is inferior as a fighting man. The facts of history warrant us in assuming the contrary. In drill, training and discipline the Madras sepoy is inferior to none; while in point of health, as exhibited by returns, he compares favourably with his neighbours".

These, Sir, are the opinions of Commanders-in-Chief. According to the figures read out by my Honourable friend Mr. Sapru and which I just now quoted, only 7,000 are from Bombay and 4,000 from Madras. Take again the Mahratta army. It is true the Punjabis, Sikhs and Ghurkas have done uncommonly well, but I have good authority to show that during the Great War amongst the Indian soldiers the Mahratta soldier was considered the equal of any other in the Indian Army. I hope His Excellency the Commander-in-Chief will confirm what I have stated.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : It is a doubtful element.

THE HONOURABLE SIR PHIROZE SETHNA : That is for His Excellency the Commander-in-Chief to say, not for you. Then my Honourable friend Raja Ghazanfar Ali Khan questioned the wisdom of the change in policy. That is again for His Excellency to tell us, if he is willing to, but it is a patent fact that for reasons known to Government after the Mutiny, the majority of the soldiers were not taken from the provinces from where they were taken previously and Punjabis and Sikhs were preferred, so that there was a distinct change of policy. That is what I want to point out.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Because they were loyal. Is loyalty a crime ?

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Do you mean to say others were disloyal ?

THE HONOURABLE SIR PHIROZE SETHNA : Now, Sir,—

THE HONOURABLE THE PRESIDENT : You have got one minute left.

THE HONOURABLE SIR PHIROZE SETHNA : I just want to quote one or two more opinions, Sir. What I wanted to say was that the Indian soldier has been kept out from the different branches of the army, which also is a great hardship.

"According to the Peel Commission, the Indian section of the army should be composed of different nationalities and castes which should, as a general rule, be mixed promiscuously in each regiment ; and Europeans alone should, as far as possible, be employed in the scientific branch of the services".

Again, Lord Elphinstone, Governor of Bombay, said :

"I agree with those who think that it is not judicious to train any natives of India to the use of guns. They make excellent artillerymen, and they attach great value and importance to guns, but these very circumstances make it dangerous to place them in their hands".

Lord Ellenborough concurred with this view and said :

"It appears to be the concurrent opinion of all men that we should keep the artillery wholly in our hands.

"The natives have a genius for casting and working guns, and we should not afford them means of enjoying it".

THE HONOURABLE THE PRESIDENT : Will you please conclude ?

THE HONOURABLE SIR PHIROZE SETHNA : Yes, Sir.

"The natives die at their guns. Their practice in this war"—namely, the Mutiny—"is allowed to have been at least as good as our own".

I will not take up any more time. I think this is a very reasonable proposal which is by no means compulsory, and I trust the Commander-in-Chief will agree to the experiment and try and recruit men from other communities also.

THE HONOURABLE SARDAR BUTA SINGH (Punjab: Sikh) : Sir, I am sorry that I have to oppose the Resolution moved by my friend the Honourable Mr. Sapru. I share with him the desire that recruitment to the Indian Army should be open to all the provinces in India. I am at the same time aware

that the Indian Army has been greatly reduced and to keep it effective it is necessary that recruitment should continue from the martial classes. A hazardous experiment has been made by constituting mixed regiments. Personally I feel it will prove a source of weakness, as the unity which animated members of a single community in a regiment is now diffused, and will at a time of crisis fail to prove its value. In any case I think that the present is not the moment to fling wide open the doors of recruitment to all classes but later it may be possible to have a provincial militia to give training to all classes in the art of soldiering.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA (Assam : Non-Muhammadan) : Sir, I rise to support the Resolution. It was disclosed by the Honourable the mover of the Resolution that Assam and Bengal were the only two provinces which were not represented in the Indian Army. Much has been said about Bengal by the Honourable Kumar Nripendra Narayan Sinha and all that I want to say is about my own province of Assam. Sir, the Honourable the mover referred to the question of heredity with regard to the selection of soldiers and he said that the question of heredity does not come in. I do not know whether it does not ; I think it does a great deal and one thing I can say and that is that Assam has got glorious traditions in the past with regard to her military prowess. As a matter of fact, it was the Honourable Sir Mahomed Akbar Khan who said that Assam was conquered by Bakhtiyar Khilji. I do not know how he can make such a statement. It might be a question of opinion or wrong notion but it is not a matter of history. All that I can say about Assam, Sir, is that it remained unconquered till 1826 when owing to internal dissensions it fell into the hands of the Burmese and it was ceded by the Treaty of Yandabu to the British : it was not conquered by the British people even. As a matter of fact, even in the time of the Mahabharata, we find Assamese soldiers figuring in the battle of Kurukshetra. The kingdom of Kamarupa and later the kingdom of Assam was all along an independent kingdom. Several attacks were made upon it by the Moghuls but they were all gloriously repulsed. The last attack was made under the generalship of Mir Jumla at the time of King Aurangzeb which was gloriously repulsed by the Assamese soldiers. It is a matter of history, Sir, and even in the elements of history this fact may be found.

Then, Sir, as I said, the question of heredity does count a great deal, and as it does count a great deal, I think that the door should be open to the Assamese people also who have got such a glorious martial tradition in the past, to join the Indian Army.

With these words, Sir, I support the Resolution.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, I was very glad to hear the very moderate speech made by my Honourable friend, Mr. Sapru. He gave a very elaborate and detailed account of how the military is composed at present, and he gave out the provinces which have been recruiting a number in the past and as they stand in different proportions in the present army. It was a pleasure to know that this is the situation. Here what my Honourable friend wants by his Resolution is that the recruitment should be thrown open to all the classes and castes and creeds living in India. My Honourable friend, Raja Ghazanfar Ali Khan, has given out the list of the communities to whom recruitment is thrown open and I think, Sir, it is clear from this that there are very few classes that are not allowed to send recruits into the army : it is thrown open

[Mr. Mohammad Yamin Khan.]

to anybody and everybody that wants to become a soldier. The only difficulty that I have known—and I have been dealing with this matter for many years—I can assure the Honourable Members that the difficulty is not that the military authorities are not allowing the people to come but the real difficulty is that the people are not willing to come. It is very difficult to find a recruit for the army from among all the classes and many of the castes because those people find it much more remunerative to go into their professions rather than join the army and run the risk of losing their lives. I have heard many tales and it will not be out of place to mention one, that a man during the war intended to join the army and his mother started weeping. He said: "Why are you weeping?" She said: "As soon as you are recruited, you might be sent to the war and you might be killed". So this fellow said: "Is it likely that I will be sent to the war in the near future?" She said: "Better go and find out". And when he was told this was the condition, he said: "I will be much better off at home". (*An Honourable Member*: "In which province did this happen?") I need not mention the province. If the Honourable Member likes, he may take it that it applies to his own province equally well! But it is really the spirit of the man who wants to join the army that he must be ready in the first instance to give his life up in the defence of his country. He must not join the army with an idea that he will make about Rs. 15 or Rs. 16 a month. But the whole idea in his action must be that he is going to serve his country and he is prepared to lay down his life in its defence whenever he is called out. (*An Honourable Member*: "Not only defence but attack!") Certainly. Both entail the same risk. I find, Sir, that I have got no provincial bias. I do not come from the Punjab, therefore nobody can say that I am speaking on behalf of the Punjab simply because I belong to that province. If anybody goes into the Punjab he will find that most of the people who send recruits to the army are horse-breeders, they are people who take delight in tent-pegging, they are people who take part in all kinds of sports, who are good shots, who have got rifles, whose children from the very beginning of their career purchase rifles and are taught how to shoot and hit the bulls-eye. In the other classes who were not mentioned in the list my Honourable friend Raja Ghazanfar Ali Khan gave us, it will be found that hardly anybody is there who uses even a gun in his whole lifetime. If a man is not accustomed to handle a gun, if he is afraid, as the proverb goes, to touch a gun even when unloaded because even when unloaded it might go off, it is not right to recruit this class of people who are afraid even of handling an unloaded gun. What does the army stand for? Mostly for the defence of the country, and if we want our army for the defence of our country we must employ the best people whom we have got to defend our country. It should not be the question whether they come from the Punjab or whether they come from Assam or from Madras. The question is, who can defend India best? The question is of India, not of the provinces. Certainly, Sir, I agree with Raja Ghazanfar Ali Khan that the Punjab and the North-West Frontier have both for a long time borne a great hardship and their provinces were attacked by outsiders every now and then, and that has meant that the population of that part of India has had to oppose all the people who invaded this country from time to time. Some of these people settled in the Punjab, some travelled lower down. Then other conquering races followed and settled in the same way.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: No, Sir, the Honourable Member is wrong. Most of them are Rajputs, who belong to India.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My friend may say what he likes, but I am not going to take it as correct. The Punjab people consist of people mostly who have been attacking India from time to time and even the Rajputs were the people who came up and attacked India some time ago, only in remoter times. But all the people are not Rajputs. There are the Jats and others. Nobody is an outsider now who is living in India and was born in India, but in former times there was an influx of the people of other countries who settled in India. That is why they have been fighting. They belong to the fighting class. Mostly the population in the Punjab consists of fighting people. If we can find good recruits for the Indian Army from the Punjab, we should not grudge it. My friend Mr. Sapru says that we should approach this question from a patriotic point of view and not a provincial point of view. I wholeheartedly agree with him. But he himself has proceeded from a provincial point of view. He gave a detailed account of how each province is represented by how many, and how other provinces are not represented. I was wondering whether he was pleading against himself. He was saying that he does not want to provincialise; but still, he was pointing out that the Punjab should not be the only province which should be favoured. He even went so far as to say that if Punjabis are willing to send their people to the army and keep it as a preserve for themselves, then let them pay for it. My Honourable friend Mr. Sapru goes so far and yet he says that he is not provincial. I wonder what he is? His whole speech was one of provincialism, and yet he says that he is not provincial in his outlook. I think, Sir, the North-West Frontier Province and the Punjab consist of a very brave race. The Sikhs and the Punjabi Mussalmans have shown good mettle. They have brought great credit to India in the past. They have proved themselves worthy of the name of India on many battle-fields outside India. They have proved that the Indian soldier is second to none in the world in the battle-fields of France, Mesopotamia, Palestine, Iraq, China, South Africa and other places. To whom was this due? This credit is due to the present army. I would deprecate any word that may be disparaging to our army as it stands today. The Indian Army is composed of the best material available in this country. They have done well, and they have proved themselves worthy of the name of this great country. Anything in the nature of calling them mercenary—I am glad that my friend Mr. Sapru has taken back that word "mercenary" which he used, because he said that we do not want this mercenary army; we want a national army. I do not know what he means by a national army. Does he mean by a national army that the army should be composed of all castes and creeds in proportion to their strength or population? Does he mean that the Vaishyas, to whom my Honourable friend Rai Bahadur Lala Jagdish Prasad referred, should come in in proportion?

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: I want that there should be no bar against them or against any other community.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I am very glad to find that some of my Vaishya friends have started taking to wrestling. I am delighted to find, when I get up in the morning in my town, Vaishyas taking to wrestling and *patta*. It gives me great pleasure to find this, because they are making progress at present and they are a rising people. I do not think, Sir, that my friend is serious enough in thinking that an army of soldiers could be recruited from the Vaishyas. They make a lot of money in their profession of money-lending. I do not think that they would come round and walk 20 miles a day. Anybody who saw the army manœuvres in Delhi will have

[Mr. Mohammad Yamin Khan.]

realised how many miles every soldier has to walk in a day. This is not a job for people who make a lot of money out of business.

THE HONOURABLE THE PRESIDENT: Will you please conclude your speech? Your time is up.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Nobody joins the army for the sake of a few rupees.

THE HONOURABLE MR. HOSSAIN IMAM: Then why insist on it?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I am not insisting on it. I make no money, and nobody else makes money. I insist on what my primary motive is that my country should be properly defended. My countrymen, the soldiers throughout India, must bring the same name to our country as any soldiers of any other country would bring. Sir, I think it will be doing a great injustice to the present army if any words are used against them in this manner as have been used, and I would ask Honourable Members who may follow me not to speak any word disparaging to the army by calling them mercenaries or any such catchword.

Sir, I oppose the Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Mr. President, may I, before I begin my speech answering the debate of today, correct one or two rather loose statements that have been made during the debate? The word "mercenary" has been corrected already and I should like to emphasise that correction. The word "mercenary" with regard to an army means a hired army from another country, which comes to fight for a country which it does not belong to itself. Therefore, it is very unjust and wrong to allude to Punjabis or north countrymen, who happen to get a larger proportion of their men into the army in that way.

THE HONOURABLE MR. P. C. D. CHARI: Will the term apply to the Gurkha regiments?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Yes, the Gurkhas are distinctly mercenary. The Honourable Sir Phiroze Sethna said that my Army Secretary promised in another place that I would make an important statement about what he was talking about. My Army Secretary said very clearly that the statement he referred to was the question of the enlistment of Sayyids, which is coming on tomorrow. He also read out extracts from the opinions of certain Commanders-in-Chief who used to command the troops in Bombay and Madras. He omitted to mention the fact that Lord Kitchener, whom nobody could call a stupid man or a man who did not have the good of the country at heart was the very man who did most towards removing the troops from those southern provinces, doing away with a large amount of enlistment there and bringing them up north.

Now, Sir, I should like no one to think that I do not approach this Motion and try to answer it without feeling very considerable sympathy towards it. Nobody can say that the wish that every man in a country should be liable to serve that country if the necessity arose is not an absolutely unanswerable argument. It is absolutely unanswerable. But that does not mean that people who have to do with the forming of the best army they can get at the

moment should be able to fulfil those aspirations. You might just as well say that when I was at one time responsible for the recruiting of the army in England if I took a man from Leicester who was fit in every way, I should therefore take a man from Manchester who was not fit. The argument does not hold.

It is quite clear that India would not stand for what we call conscription or, to use a much better expression, compulsory service. Nor indeed does it want it. I am given to understand that men of a military age in India total something like 120 millions, and our requirements at present under the reduced scale of military preparation which we have now adopted are about 120,000. That means that one man out of every thousand in India is required for military purposes, and, in spite of what Honourable Members opposite, and I am sorry to say a considerable number of Honourable Members on my side of the House, have always said, that the army is much too big, I think you must admit that that is a very minute fraction of the population. And how on earth we are to choose one man in a thousand from all over India entirely defeats my comprehension? If India was a country like England or Germany or France, where the inhabitants are all of one race and practically of one religion, where their physical development is very similar one to the other from one end of the country to the other, it would be a different thing. But I think we must admit that India does not resemble that sort of situation at all. In fact it is exactly the contrary, and I think you will admit, Sir, that the imagination almost boggles at the task of fitting together such a jigsaw puzzle as an attempt to recruit people from all over a Continent like India for the army and make it into a homogeneous working proposition would be.

This Motion to which I am replying today can almost be described as a hardy annual, and I feel the mover will say that it is a hardy annual because of the immense importance which he and his friends attach to it. And that is a very fair argument for him to use. But I would reply to him that no amount of assertion on his part that such a thing is desirable can get over the hard facts of the almost impossible administrative difficulties of carrying out such a proposition. If I were to reply to the exact words in which this Resolution is moved, that is to say that recruitment should be thrown open to all castes, creeds and classes, I could reply as another speaker did that to all intents and purposes we do enlist all creeds and classes. We naturally cannot enlist all castes, because they are numbered I believe by hundreds. A great many figures were quoted by the mover and other speakers to show, as far as I could make out, that recruitment was almost entirely confined to the Punjab; and I think I saw through that a suggestion that there were rather too many Muslims?

THE HONOURABLE MR. P. N. SAPRU: No one has made any suggestion like that. Certainly not I.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Very well, I stand corrected. Perhaps the only figures I might quote are in regard to the proportion of creeds. There are roughly 38,532 Muslims, or 36 per cent. in the army. There are roughly 85,261 Hindus, including Gurkhas, or roughly 48 per cent. of the army; and there are 16 per cent. of Sikhs. Certainly among these I admit those we recruit from the north predominate, but we naturally do not and cannot enlist people whom we consider are either no use or of small value, and I would ask the Honourable mover and the House, why should we? Honourable Members are always grumbling at me because they say the cost of defence is too much in this country. Suppose I came to them and said, "Very

[His Excellency the Commander-in-Chief.]

well, it is too much and I will economise by buying inferior material, inferior guns and propellants, inferior motor cars and so on". Would they say, "Go on"? No, they would say to me, "No, you must not do anything of the sort". And if I am not to buy inferior weapons and equipment, why should I then enlist in the army inferior material, men who have to handle the expensive modern equipment which we have to buy. That seems to me a poor argument. I am a little bit afraid, and indeed the Honourable mover I think admitted it in so many words, that there is a political reason behind his Motion. Can it be that the Honourable gentlemen who agree with the mover are thinking that when they get a larger measure of self-government in this country and are approaching full responsibility, an army recruited largely from a few classes and largely from one part of India may be politically awkward? Does it not really mean, Sir, that the Honourable mover and some of his friends have an uneasy feeling in their minds that they cannot depend on that army to be loyal to India and think that that army may become a political force? When I made a speech at the opening of your new Indian Sandhurst at Dehra Dun, I said to the cadets who were just entering upon their military life—I do not remember the exact words, but I said something like this: "I do wish to assure you that if you allow politics to enter into your lives in future you will fail". I said that politics can have no place in an army whatever, and that the moment a nation thinks or has cause to believe that politics have entered into the army it pays for, from that moment it must lose trust in that army and it is no longer worth the money paid for it. If that is the sort of thing you have at the back of your minds, this country would rapidly sink to the level of the Central American Republics or of Spain, where every general has a political backing and there is a series of revolutions one after the other. I will go so far as to say that if you think that in the future you could not trust your army to be absolutely loyal to India as India and absolutely loyal to the central Government in power, you may as well abandon the farce of seeking a further measure of self-government, for a farce it must be unless you can absolutely depend upon your army to be loyal. If, on the contrary, Sir, Indian politicians are sincere in a desire for efficiency in the army and that that army should be an instrument which they can depend on, I can see no other way to get that result than the one which we have adopted and are adopting now, and that is to get in every way the best value for money. I leave it at that. That is my main argument. I will say nothing of the almost hopeless practical difficulties and administrative difficulties of trying to weld small packets of men from all over India from different races, castes and creeds, into a homogeneous whole that will be a live army and will fight and live together as an army should do and not be a mere collection of men. I must oppose the Motion.

THE HONOURABLE MR. P. N. SAPRU: Sir, the Honourable Sir Mahomed Akbar Khan, Raja Ghazanfar Ali Khan, Nawab Sir Mohammad Hayat Khan Noon and Sardar Buta Singh have all spoken as representatives of the vested interests in the Punjab who have benefited by the present policy and naturally they are anxious that the present system of recruitment should continue. It was not to be expected that they would agree to suicide and I am not therefore disposed to quarrel with them for their hesitation or inability to support this Resolution. If we examine their arguments, they really come to nothing. If you examine the position historically, you will find that before 1859, the basis of recruitment in this country was much wider. You had the Bengal army, you had the Madras army and you had the Bombay army and in

these armies you had representatives of these provinces. Now, Sir, these armies were very efficient armies and I can quote the opinions of a number of military authorities and Governors as regards these armies. For example Sir Richard Temple in 1878 giving evidence before the Eden Commission said :

"In India under British rule, the former martial tendencies of the native population gradually become lessened till they almost disappeared and this circumstance is considered to be one of the safeguards of our rule".

His Excellency the Commander-in-Chief was pleased to observe that perhaps one of the objects of this Resolution is political. I did not disguise that object myself in my first speech. I said that the future of Indian self-government cannot be safe if we have a military autocracy in the north controlling our army. But is the present army policy not dictated by political considerations, although of a different character? Has the policy that has been pursued since 1859 not been dictated by political considerations? Sir, speaking of the Bengal army, Lord Ellenborough said :

"It is distressing to think that we must abandon the hope of ever seeing a native army composed like that we have lost. It was an army which under a general it loved and trusted would have marched victorious to the Dardanelles".

Why were these armies given up? For the obvious reason that after the Mutiny you felt you could not trust them and it is that reason which has dictated your army policy since that date. Therefore we are not wrong in saying that there is really not much substance in the argument that it is considerations of efficiency which influence the army policy today. His Excellency was pleased to observe that there are certain administrative difficulties. I do not understand those administrative difficulties. His Excellency was not pleased to explain to us what those difficulties are. You have recruiting officers in the Punjab and in certain other areas in which you recruit. Where is the difficulty in having recruiting officers in certain centres in Bengal, where is the difficulty in having recruiting officers in certain centres in Bihar, where is the difficulty in having recruiting officers in certain centres in Assam, provinces which are not contributing a single soldier to the Indian Army? If you want to multiply difficulties, you can multiply them. The difficulties that we have to contend with are great in all conscience and we have not been helped to overcome those difficulties. Therefore, Sir, I feel that I must press this Resolution to a division. Sir, the Honourable Mr. Yamin Khan accused me of provincialism. I am an Indian nationalist who wants freedom for his country and I would make any sacrifice for that purpose, but I do not see that there is any provincialism in asking that the basis of recruitment should be wider than it is. Is my Honourable friend not a communalist when he asks for communal privileges for himself and yet he would say he is a nationalist and he would repudiate the insinuation or suggestion that he was a communalist. His Excellency said that some of us had raised some objection to the present proportions in the present army—Hindu-Muslim proportions in the present army. So far as I am concerned, I never said anything of that kind. To me it is immaterial, absolutely immaterial, whether it is composed of Hindus or composed of Mussalmans, because I do not think in Hindu and Muslim terms. I only think in Indian terms. To me India is everything; the communities are nothing.

With these words, Sir, I would press my Resolution to a division.

THE HONOURABLE THE PRESIDENT: Resolution moved :

"That this Council recommends to the Governor General in Council that recruitment to the Indian Army should not be confined as at present to certain classes only, but should be thrown open to all castes, creeds and classes".

(Mr. President.)

The Question is :

"That this Resolution be adopted".

The Council divided :

AYES—18.

Banerjee, The Honourable Mr. Jagadish Chandra.
Askuran, The Honourable Mr. Shantidas.
Barua, The Honourable Srijut Heramba Prosad.
Chari, The Honourable Mr. P. C. D.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Devadoss, The Honourable Sir David.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.

Khaparde, The Honourable Mr. G. S.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Naidu, The Honourable Mr. Y. Ranganayakalu.
Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.
Sethna, The Honourable Sir Phiroze.
Sinha, The Honourable Kumar Nripendra Narayan.

NOES—26.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.
Buta Singh, The Honourable Sardar.
Charanjit Singh, The Honourable Raja.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the.
Ghazanfar Ali Khan, The Honourable Raja.
Ghosal, The Honourable Mr. Jyotsnanath.
Gladstone, The Honourable Mr. S. D.
Glass, The Honourable Mr. J. B.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sri.
Mitchell, The Honourable Mr. D. G.

Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Phillip, The Honourable Mr. C. L.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Sprawson, The Honourable Major General C. A.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

RESOLUTION *RE* ESTABLISHMENT OF A MINISTRY OF COMMUNICATIONS.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to move the Resolution which stands in my name and which runs as follows :

"This Council recommends to the Governor General in Council to establish as soon as possible a ministry of communications by including all functions relating to transport and posts and Telegraphs within the portfolio of a single member of the Governor General's Executive Council".

Sir, I approached you yesterday about making a slight amendment in my Resolution, substituting the words "as soon as possible" for the word "forthwith", and I hope there will be no objection to this.

THE HONOURABLE MR. D. G. MITCHELL : I have no objection, Sir.

THE HONOURABLE THE PRESIDENT : Then I will allow the substitution.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, we have amendments on the Resolution and would request you, before allowing the Honourable Member to amend his Resolution, to give us permission to move our amendments.

THE HONOURABLE THE PRESIDENT : Both your amendments are for the omission of the word "forthwith", and that purpose is served by the substitution of the words "as soon as possible" for it.

THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ (East Bengal : Muhammadan) : Had we known you would allow the substitution, we would have objected to that too.

THE HONOURABLE THE PRESIDENT : It is in the power of the Chair to allow any amendment or alteration and I have allowed it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, I need not take up much time of the Council over my Resolution as I understand from the reply that was given to my question in this House the other day by the Honourable Mr. Mitchell,

"that Government have accepted the principle that there should be a portfolio of communications in the Governor General's Executive Council, though the question when effect should be given to it is still under consideration".

The other day, Sir, the Honourable the Finance Member, while speaking on this question in the other House, observed that Government agree to the formation of this ministry of communications and that the ministry will be brought into existence some time before the end of this calendar year. Sir, this question was started in 1897, and the Honourable Sir George Schuster, while making a statement in the other House, on the 8th March, 1934, quoted the following extract from a letter which the Department of Industries and Labour addressed to various provincial Governments :

"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 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".

Sir, this request has been made by the various Chambers of Commerce and by various other public institutions. Even, Sir, the Rail-Road Conference which met in 1933 passed a Resolution to this effect :

"This Conference considers that suitable machinery should be established at the centre and in the provinces to ensure adequate co-ordination between road and rail transport and their future development".

[Rai Bahadur Lala Ram Saran Das.]

Sir, as the Honourable the Finance Member has practically agreed to the principle underlying my Resolution, I hope the Honourable Secretary, Mr. Mitchell, will accept my Resolution. I need not at this late hour dwell upon the merits of my case as the Government being convinced of its necessity has accepted the principle underlying my Resolution and has made a promise to establish a ministry before the end of the year. With these words, I commend my Resolution for the favourable consideration of the House. The time is now opportune and the sooner the thing is done the better.

THE HONOURABLE THE PRESIDENT: Honourable Mr. Padshah, you have given notice of an amendment by which you want to substitute the words "at a suitable opportunity", but there is no difference between the words which you propose to put in and "as soon as possible". There is no difference. That is a distinction without a difference, to my mind. I presume you will not press your amendment?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): I will not press it, Sir.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, I would open my remarks by giving a solemn warning to my Honourable friend Rai Bahadur Lala Jagdish Prasad and I would ask him to brace himself to receive a shock. I am prepared to accept this Resolution in spite of my Honourable friend's remarks regarding my lack of sympathy and invariable rejection of the recommendations of the House.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Such examples are very rare, Sir.

THE HONOURABLE MR. D. G. MITCHELL: This, I think is the third occasion on which I have done so myself in this very House. As the Honourable mover has pointed out, the principle underlying this Resolution has been accepted several times in the last year by Government. I need not repeat again the substance of those various acceptances. But I would refer to the statement made the other day in another place by the Honourable the Finance Member and will give you his exact words. He said:

"But the principle is there and Government have accepted it; and we hope, moreover, that it may be possible to put the new arrangements into operation before the end of the current calendar year".

With that short explanation of Government's idea of the term "as soon as possible" I accept the Honourable Member's Resolution.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Can we have an assurance, Sir, that the portfolio will be transferred to an Indian Member?

THE HONOURABLE MR. D. G. MITCHELL: That is a matter entirely in His Excellency's prerogative.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, the object in sending the amendment was—

THE HONOURABLE THE PRESIDENT: You need not refer to that amendment. I have already given my ruling on the subject, and it is inopportune for you to speak any further on that ruling at this stage.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I accept your ruling, Sir. I would only submit this much that the question of allotment of portfolios is entirely in the hands of the Governor General and I do not think that we can interfere in the matter. But as the Honourable the Leader of the Opposition, by moving this Resolution, has given us an opportunity to say something about it, and the Government have rightly accepted this proposition, I would like to make just one observation. Sir Joseph Bore was the first Indian who was put in charge of Railways which is a very important portfolio. Everybody admits that he has discharged his duties with great credit and has won the admiration of every section of the House, both in the Council of State and in the Legislative Assembly. It is understood that the gentleman who has been appointed in his place is also an Indian. I hope that whatever arrangements Government might make with regard to the transfers of portfolios, they will please see that this important portfolio of Railways remains in charge of an Indian Member.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council to establish as soon as possible a ministry of communications by including all functions relating to transport and posts and telegraphs within the portfolio of a single member of the Governor General's Executive Council".

The Question is:

"That this Resolution be adopted."

The Motion was adopted.

RESOLUTION RE DAMAGE CAUSED BY THE SALT RANGE AND KHEWRA SALT MINES TO CULTURABLE LANDS.

THE HONOURABLE THE PRESIDENT: Honourable Raja Ghazanfar Ali Khan, I will allow you to move your Resolution in order that you may not lose your priority, but the discussion will take place on the next non-official day.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Thank you, Sir. The Resolution which stands in my name runs thus :

"This Council recommends to the Governor General in Council to appoint a committee to inquire how much damage has been caused by the Salt Range in general and by the Khewra mines in particular to neighbouring lands and villages in Jhelum and Shahpore districts and to report what compensation should be granted to zemindars and cultivators who have suffered on this account and what steps should be taken to stop further damage to cultivable lands and villages".

The Council then adjourned till Eleven of the Clock on Thursday, the 14th March, 1935.

COUNCIL OF STATE.

Thursday, 14th March, 1935.

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

ALIGARH MUSLIM UNIVERSITY (AMENDMENT) BILL.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Education, Health and Lands Member) : Sir, I move that leave to introduce :

"A Bill further to amend the Aligarh Muslim University Act, 1920, for a certain purpose"

be granted.

Honourable Members will have seen from the statement of objects and reasons attached to the Bill what has led to the present Bill being brought. Under section 16 of the Act the appointment of a Pro-Vice-Chancellor is obligatory on the University. For some time past there has been a good deal of difference of opinion in the University circle as to whether two Vice-Chancellors, one Vice-Chancellor and one Pro-Vice-Chancellor, are really necessary, and then, in this case as in many others, financial considerations have accentuated the problem, with the result that a proposal was made that the post of Pro-Vice-Chancellor be abolished and that steps be taken to give legislative effect to it. On the other hand, some people thought that the financial stringency is not everlasting, we hope so anyhow, and there may be cases when a Vice-Chancellor with academic qualifications is not available, because under the Act a Vice-Chancellor is elected from amongst the members of the Court, and within the limited field of choice, it may be that a suitable man with requisite academic distinction and experience is not available, and the Court may itself wish to appoint an officer to do the work of Pro-Vice-Chancellor. However, the opinion within the Court was fairly equally divided, and we were thinking what we could do to meet the wishes of the Court as a whole and not only a section. If we refused to carry out the proposal, then we would be meeting the wishes of half the Court who want the position to remain as it is and refuse to act in accordance with the opinion of the other half who want to abolish the post. While, if we abolished the post by legislation, we would again be carrying out the wish of only half the Court and the other half who want to retain the post would say we had acted wrongly. So we struck upon this device of making the post discretionary with the Court and not compulsory. So I trust we have thus found a way of meeting the wishes of the Court as a whole. If at any time the Court feel that they ought to have a Pro-Vice-Chancellor, they can appoint one. If they feel they do not want one, they need not have him. That is, Sir, the object of the Bill and our Legislative Department has struck upon the plan of achieving that object in a very simple manner as set out in clause 2. Sir, I move.

The Motion was adopted.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Sir, I introduce the Bill.

RESOLUTION *RE* ENLISTMENT OF THE SAYYID COMMUNITY IN THE INDIAN ARMY.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I beg to move the following Resolution :

"That this Council recommends to the Governor General in Council to direct His Excellency the Commander-in-Chief to issue instructions to the officers commanding Indian regiments which recruit Mussalmans to remove the restrictions which they have placed on the enlistment of the Sayyid community".

Sir, at the very outset I would ask your permission to explain that my friends on the right should not consider that there is any inconsistency in the attitude which I am adopting towards this question of recruitment of Sayyids and the speech which I made yesterday. On principle I am not prejudiced against any particular community or class in regard to enlistment in the army. It was only on practical grounds, and also considering the fact that the number of recruits enlisted every year is very limited, that I was opposed to trying the experiment of getting recruits from those communities whose capacity for soldiering had not already been tried. But that is not the case with the Sayyid community about which I am moving this Resolution. The Sayyid community is still in considerable numbers in the army and this restriction on their enlistment in the army is only of recent application. I am not aware of the reasons which led the Army Department to issue instructions from Army Headquarters to recruiting officers that they should not in future take Sayyids.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : How many Sayyids are there in the army now ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : The number of Sayyids in the army at present is, I believe, about 1,100. The number of Sayyids in 1924 and 1928 was practically the same. I am not at present asking for any special favour to be shown to the Sayyid community. I am not complaining that their number in the army at present is very small and should be increased. I am simply bringing this before the House, that we should ask the Government to remove the restriction or disqualification which has been placed on this particular community. This question has been agitating the Mussalman community of the Punjab for the last many years. There are different local bodies which have passed unanimous resolutions that this restriction should be removed. Almost all the soldiers' boards in the districts have passed similar resolutions. The representatives of the Sayyid community tried to approach His Excellency the Commander-in-Chief in 1934 when they asked his permission for a deputation of Sayyids to wait upon His Excellency for the purpose and His Excellency's Private Secretary wrote to them that the matter concerned the Adjutant General more than anybody else and that they should approach the Adjutant General. They then submitted a memorandum to the Adjutant General, which was signed, amongst others, by the following persons :

Honourable Nawab Sir Sayyid Muhammad Mehr Shah, who is himself a Sayyid ; Khan Bahadur Nawab Chaudhri Fazal Ali, O.B.E., M.L.C. ; Captain Sayyid Ghulam Jaffar, A.-D.-C. ; Captain Sayyid Muhammad Shah ; Lieutenant Sayyid Ajaib Ali Shah ;

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Subedar-Major Sayyid Sardar Shah, Bahadur, O.B.I. ; Subadar-Major Sayyid Hussain Shah ; Risaldar-Major Sayyid Alam Shah ; Subadar-Major Sayyid Rang Shah ; Risaldar Muhammad Shah ; Risaldar Sayyid Ashraf Shah ; Subedar Sayyid Nawab Shah, Bahadur, O.B.I. ; Subedar Sayyid Alam Shah ; Subedar Sayyid Muhammad Shah ; Subedar Sayyid Alam Sher and Woordie-Major Sayyid Hamid Ali Shah, and so on.

THE HONOURABLE MR. P. C. D. CHARI : Is the Honourable Member a Sayyid ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I am not. Therefore I hope my friend will at least give me credit for not advancing my own personal interest, but I am just doing it in the interests of a community who by virtue of their loyal service to the Government during the Great War and on all critical occasions have really won credit all round. I am pleading for a community which is held in very high respect and esteem throughout the Muslim world. It is the Sayyid community which is to be found in almost every part of India. I do not think there is any other community amongst Mussalmans who are to be found in every corner of the country as Sayyids. The Sayyid community, moreover, is considered as the greatest martial community amongst Mussalmans. They, being the direct descendants of the Prophet, are descendants of the community which at a time was instrumental in conquering practically the whole world ; and therefore I am bringing to the notice of the Government that it is a source of great disappointment to all the Mussalmans of India that such a restriction should have been placed upon this community.

THE HONOURABLE SIR PHIROZE SETHNA : Since when has this restriction been imposed ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : The first time we came to know of this restriction was in 1924. I would rather say we came to know of it much later. The first time these instructions, as far as my information goes, were issued by the Army Department in 1924 when in a confidential circular to the Recruiting Officer, Rawalpindi, they said—it was not confidential because when a recruiting officer receives information that he is not to enlist a particular community he cannot keep it confidential from the members of the particular community.

THE HONOURABLE THE PRESIDENT : You need not dilate on that ; it is unnecessary.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : This circular said :

"Please note for future guidance that Sayyids should no longer be recruited under the heading of Punjabi Mussalmans for the 10th Baluch Regiment".

THE HONOURABLE MR. P. C. D. CHARI : On a point of order, Sir. I now understand that the Honourable Member's object in moving this Resolution is the same as that of the Resolution moved yesterday by my friend Mr. Sapru. The question of restriction of recruitment has been discussed in that other Resolution. This discusses only the restriction with reference to a particular community. I should like to have your ruling, Sir, whether

[Mr. P. C. D. Chari.]

in view of the fact that the other Resolution which comprised this Resolution also was disposed of yesterday the Honourable Member is in order in moving this Resolution now ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: May I submit, Sir,—

THE HONOURABLE THE PRESIDENT: In the first instance the Honourable Member's objection comes too late. He ought to have raised this objection when the Honourable Member moved his Motion. Secondly, I am distinctly of opinion that this Resolution is not barred under Standing Order 69 by reason of the Resolution which was moved yesterday. Yesterday's Resolution was in general terms. It referred to the recruitment to the Indian Army and said that recruitment should not be confined to certain classes only, but should be thrown open to all castes, creeds and communities, while this Resolution is of a specific nature. The Sayyid community is not ineligible for recruitment, but under certain alleged orders of the Army Department there is a restriction imposed on their recruitment and this Resolution seeks to dispense with that restriction. Therefore it does not raise substantially the same question which was raised in yesterday's debate. I therefore allow the Resolution to be moved.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I thank you, Sir, for the ruling you have given. As you have already said, Sir, this is not a question of including a community which is not already included in the list of martial races for enlistment to the army, but this really concerns a community which is already eligible, and I will just read an extract from a letter written by the Adjutant General to the President of the Punjab Soldiers' Board in 1929. He said:

"The Sayyids are a sub-class of Punjabi Mussalmans and as such are eligible for enlistment in the Army under the general heading of Punjabi 'Mussalmans.' It is not proposed, therefore, to issue any general or special instructions giving preferential treatment to Sayyids in the matter of recruitment of Punjabi Mussalmans."

Therefore, Sir, it appears to me that there is some inconsistency in the attitude adopted by Army Headquarters in relation to this particular subject. The Adjutant General writes that there is no restriction. On the other hand, recruiting officers have been writing to various Sayyids, subedar-majors, and subedars, that they are not enlisting any Sayyids in the regiment. I have now in my possession and I have seen letters written by at least half a dozen commanding officers of training battalions that they are not enlisting Sayyids in the regiments at present. In view of this, and in view of the fact that even now there are 1,200 Sayyids in the army, this new discrepancy, for which I do not know who is responsible, and which has crept into Army Headquarters of issuing instructions to the officers commanding not to enlist Sayyids any more should be removed and I am sure the Government will see the justification of this demand and will remove this restriction.

Before I conclude, Sir, I may just say one sentence. As far as I have been able to ascertain why this restriction was placed on the Sayyid community, it seems it was due to the wrong impression which was created by some self-interested persons in the minds of officers commanding that the Sayyid community is looked upon with very great respect and reverence by the Mussalmans and therefore even a subedar-major who is a non-Sayyid shall have to

call a Sayyid sepoy as *Shahji*, and that is why it is inadvisable to enlist Sayyids in the army. I am surprised, Sir, that such a flimsy plea should have carried so much weight with the Army Department. Therefore, I may assure them that they will be showing more regard for the Sayyid community if they allow them to come into the army and to earn their bread by honest means than by telling them that they are a respectable community and therefore it is better for them to starve than to enlist.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to direct His Excellency the Commander-in-Chief to issue instructions to the officers commanding Indian regiments which recruit Mussalmans to remove the restrictions which they have placed on the enlistment of the Sayyid community."

I will request Honourable Members to strictly confine themselves to today's Resolution and in argument not to refer to matters discussed yesterday.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, the Resolution which my Honourable colleague, Raja Ghazanfar Ali Khan, has moved is distinct from the Resolution of yesterday's in certain respects but there is no doubt about the fact that there is an inner similarity between the two. We are both aggrieved at the action of the Army Department and I welcome the re-affirmation, though it is late. The complaint which is general about the recruitment of the army is that there is a distinct advantage for those who want to enter and have already relations in the army. What is called the *braderi* system is a great stumbling block in the way of those whose relatives have not been in the army before. This is one reason, Sir, why, although restrictions for recruitment may have been issued for only certain battalions and regiments, but because of the fact that Sayyids have no *braderis*. Sayyids are not recruited into other regiments, even if they take "Mussalmans"; they are not eligible because of this system of giving preference to *braderis*. We know, Sir, that even in the case of persons belonging to the same caste or community, if two persons apply of whom one has a relation in the army and the other has not, the one without a relation has no chance of being admitted. This system, which is reminiscent of the old days of autocracy, ought not to find a place in the present administration of the army. No doubt I do not wish that there should be any bar to admission because of relationship. That would be penalising those who have relations. But in making a comparison between man and man, that should not be regarded as an additional qualification. Let them have equal opportunities, and if this *braderi* system is abolished, the Sayyids will become automatically eligible for admission to all the other regiments where specific orders of restriction have not been issued.

Then, Sir, coming to the great Sayyid community, the fact that there are only 1,200 Sayyids in the army speaks for itself. The mover of the Resolution did not enlighten us nor could I find from the papers of the Army Department what has been the number of Sayyids who have been admitted into the army.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, may I give this information to the Honourable Member because he asked for it? The number of Sayyids in the army in 1924 was 1,268, in 1928 it was 1,228, and in 1934 it was 1,108.

THE HONOURABLE MR. HOSSAIN IMAM: That means that there has been no recruitment in recent years, as there has been a decrease in numbers. In this connection, Sir, I should like to draw His Excellency's attention to the fact that the long term service we have in the army makes it necessary for us to have a bigger army than we should have if we had a shorter term system; we could with ease and with perfect security manage with a smaller number of men because we would have a better first line reserve and a more effective second reserve. As it is at the present moment, a man has to have 15 or 20 years service and even if you stop recruitment for 12 years you will find that there are some persons in the army. It is only for this purpose that I have brought this question forward.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): Sir, if I desire to speak on this Resolution it is only for the purpose of getting some more information on the subject. I acknowledge that in this matter I am more or less an ignoramus. Sir, one thing that strikes me at the very outset is that, so far as the Muhammadan community is concerned at least in India, there has never been any such thing as caste distinctions. This Resolution, I am afraid, will bring into that homogeneous community, which has hitherto been an example to the other communities living in India, an element of discrimination. (*An Honourable Member*: "It is the Commander-in-Chief who is doing it, not we".) As a matter of fact, I want that information. Is this Resolution meant to be a sort of caste distinction between the different sections of the homogeneous community of Mussalmans in India? (*An Honourable Member*: "No".) We have been told time and again, we have been told practically from all sides of the country, that we Hindus, owing to our caste system which we have had from time immemorial, have not been able to combine or to take any united action; and in this respect we have been twitted by the Mussalman community who have pointed to their homogeneity with pride saying, "We Mussalmans of this country are a homogeneous body but you people have your caste distinctions". I feel, Sir, that this Resolution at least presents to me the same caste distinctions that we have in the Hindu society of the country. I do know and I would like my friend to enlighten me on the point—but Sayyids, I understand, have been described by the Honourable mover as the direct descendants of the Prophet. Therefore, it is expected that that community will be the repository of the ancient culture, of the ancient goodness, and the ancient knowledge of Islam. If that is so, their proper place, I should have thought, would be in schools and educational institutions where they could work for the advancement of learning and the propagation of Islamic culture, and not in the army where they would hardly have an opportunity of using their culture to the best advantage. As has been pointed out by the Deputy Leader of the Progressive Party, would you like to have your Pandits and your Shastris going into the army to fight battles? I for one would not. Secondly, Sir, the Sayyid community in effect, I take it, come within the category of the bigger circle of Punjabi Mussalmans and are therefore eligible for recruitment in the army as coming under the bigger heading. Therefore, as a sub-community of the Punjabi Mussalmans they have no place for recruitment. If I am wrong, I hope His Excellency the Commander-in-Chief will correct me in his reply. But if they were enlisted in former years under the bigger heading of the Punjabi Mussalmans, supposing the army authorities found that the recruits were not good enough for the purpose, is there any wonder that they put a ban on the enlistment of such people? If, as a class, it is found that this community is not suitable, is it any wonder that the authorities would put a ban on it? Of course, I do not know what the exact reason

for this ban was, but I take it that when the authorities put a ban on a particular community as a class, you can almost expect that they must have found something in that class which does not suit them. Whatever that may be—

THE HONOURABLE NAWAB KHWAJA HABIBULLAH OF DACCA (Bengal: Nominated Non-Official): I suppose that applies to all others whom they have refused?

THE HONOURABLE MR. BIJAY KUMAR BASU: I daresay that it applies to others whom they have refused. I heard the other day in the other House—I do not remember who said it—it may be the Army Secretary—that martial and non-martial races—they are merely the creations of politicians, and that the army has got nothing to do with the distinction between martial and non-martial—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The words "martial" and "non-martial" are a creation of politicians!

THE HONOURABLE MR. BIJAY KUMAR BASU: I do not understand why my friend is so anxious for a particular community of a handful of men. I may say so, a small community of the Punjab (*An Honourable Member*: "No".) which may come and did come under the larger category of the Punjab Mussalmans before.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces: Nominated Non-Official): Sir, I support the Resolution moved by my Honourable friend Raja Ghazanfar Ali Khan. I think that this Resolution has got great force behind it. The Sayyid community of India have proved themselves very fit for military purposes. It was the Sayyid brothers, Abdulla and Hussain Ali Khan, of Bara, who came to be called later on in history as Kingmakers. The Sayyids of Bara are famous in history for being the best fighters of that time. They used to fight in such good manner that the Sayyids of Bara were enlisted by the Moghul Emperors in their armies to a large extent, and whenever they found that there was a difficulty in war, the Sayyids were put up to fight and the battle was always won. They made a great name in the past. Most of the Sayyids of Bara have been living in the Meerut division and I am personally acquainted with them. They are very good fighting people. They have got fine physique. They have got all the things which go to make them good soldiers. I do not know why a class which has made its name in the past from Bengal up to the Punjab should be banned? Their armies fought under Prince Muazzam and his son Azim-ush-Shan after whom Patna is called Azimabad. Their army came up to the Punjab and fought and conquered at the time of Furrukhsiar. That is well known to historians. I think, Sir, a good case has been made out. If my Honourable friend Mr. Basu wants to know what the cause is—I do not know it myself—most probably it is the cause explained by my Honourable friend Raja Ghazanfar Ali Khan, that the Sayyid wants to be treated with great respect in the army. If a Sayyid wants to come in as a recruit and if he satisfies the officer that he will obey the commands and abide by the discipline of the army just like any other soldier, then there ought to be no restriction on him. If he wants to come in as something higher, and if a Sayyid wants to imitate the ways of the Brahmans, as a high community, then certainly he has to be shut up.

THE HONOURABLE MR. P. C. D. CHARI....(inaudible).....by the other Mussalmans?

THE HONOURABLE MR. HOSSAIN IMAM: With self-respect.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Unfortunately, in India, there was a caste which was superior to the other castes. That was the Brahman.

THE HONOURABLE MR. P. C. D. CHARI: You do not admit the distinction of caste in the army?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My friend is taking a side issue.

THE HONOURABLE THE PRESIDENT: Do not answer him at all. You go on, please.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: When the Sayyids began to imitate the ways of the Brahmans, then this restriction came in. I remember, Sir, that when Aurangzeb passed orders on the application of his own second son, Ali Jah, when he asked for the Governorship of Gujerat, he said, "I am ready to give you the Governorship provided you forget that you are a Prince, and you work like other people". I would therefore say that if any Sayyid is found to be willing to work under the same conditions and in the same manner as others, there should be no restriction on them. At the present time, I suppose this is the feeling which is coming on. There are very few Sayyids who would come into the army with an idea that they should command their own officers, or that they may be treated equally with officers. That is not the feeling now. This was the feeling some time ago, but now everybody is beginning to realise that if a Sayyid enters into the army, he will abide by the discipline imposed on him as well as any other person. I do not think, Sir, that if that be the case, there should be any restriction placed on him.

With these words, Sir, I support the Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I am afraid that much of the eloquence of the Honourable mover and his supporters has been wasted on the somewhat vitiated atmosphere of this Chamber, because his main contention has no relation to facts. His main contention seems to be that there has been a definite plot in Army Headquarters to restrict the enlistment of this particular class he is speaking of for the day, the Sayyid caste of Punjabi Muhammadans. I tell him definitely that there has been no restriction whatever placed on their enlistment by Army Headquarters. He quoted letters which he says people in villages and recruiting officials have had from recruiting officers to say that they do not want any more, or so many, of this particular community. I have no responsibility for what those officers send out, because they are sending out the instructions of their own commanding officers for whom they recruit and they have complete freedom in this matter. The general policy with regard to recruitment, as the Honourable mover knows quite well, is to prescribe the area in which Punjabi Mussalmans are recruited for any one particular unit, but to make no restriction whatever

as to the particular sub-classes which are to be recruited in that area. Discretion as to the sub-classes which are recruited is left entirely in the hands of commanding officers who are empowered to decide whom they will and whom they will not accept as recruits into their own units. The net result of that is that units, very naturally, select recruits in larger numbers from the sub-classes that have done them best in the past and have proved the most suitable sort of men for the needs of their units. It follows therefore that every sub-class has an equal chance with any other to prove that it is the best or better than others and that the numbers enlisted from any one sub-class depends on how far that particular sub-class has proved itself to be desirable from the point of view of the unit concerned.

Having said that, I will quote the true figures with regard to this particular sub-class. On 1st January, 1928, there were 933 Sayyids serving in the regular army. On 1st January, 1934, which is the latest date for which I have figures available, there were 813 serving in the regular army. In these six years therefore there has been a drop of 120 on the 1928 figures. But if we take into consideration the Sayyids who are enlisted into the military police and Indian State Forces, with which I have nothing to do, as well as those enlisted in the regular army, the figures would be approximately, in 1924, 1,268, in 1928, 1,228, and in 1934, 1,018, or a drop of 210 in the last six years. But having read those figures, I would point out that there has been a very large general reduction in the army, and owing to this reduction in strengths and other causes there has been a reduction in the number of Punjabi Mussalmans in the army from 44,043 in January, 1928 to 39,862 in January, 1934, or a drop of no less than 4,181 from the 1928 figures. With those figures before us, Sir, I claim that the representation of Sayyids in the army does not appear to have deteriorated in comparison with any other class. I must therefore ask the Honourable Member, if he sees fit, to withdraw the Motion, with one proviso, that if he can send me any letter which has issued from Army Headquarters directly giving my orders that this particular class should be restricted in their enlistment, I will see that the officer who issued it hears from me.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, I feel that there is no necessity for us now to make out a case for removal of the bar. From what His Excellency the Commander-in-Chief has said, we find that there is no bar, and if Sayyids are kept out of the army in some places, it is because the matter is left to the discretion of commanding officers. It is not on the merits of the question that I wish to take part in the debate. It is merely to correct some misunderstandings that seem to exist in the minds of some Honourable Members here who have taken part in the debate.

THE HONOURABLE THE PRESIDENT: That misunderstanding has been cured by His Excellency the Commander-in-Chief.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I wish to speak on what has been said about the caste system among Mussalmans and on the statement that the Sayyid community claim respect from other sections of Muslims because they are Sayyids. No Sayyid family makes this claim for, according to our religion no man deserves to be honoured unless he proves himself worthy of it by his character and conduct. So if people do show some regard to the Sayyid community it is not because the Sayyids make it a point to extort this respect and homage, but only because, possibly in view of the fact that the Sayyids are descendants of the Prophet, they are

[Saiyed Mohamed Padshah Sahib Bahadur.]

careful to see that their conduct is such that it does not bring discredit on the family to which they belong. If therefore a Sayyid is respected for his character, that does not mean that he habitually demands that kind of respect from other people.

Now, Sir, as regards the caste system, my friend the Honourable Mr. Basu appeared to deliberately misunderstand the position. The complaint was that this caste system has been imposed on us by somebody else. Whether that is a fact or not is another matter. But the case made out by the Honourable Mover was that this caste system was one which was being introduced into the Muslim community from which it has always been free, so that it is not the Mussalman who has to be blamed for it. So I feel that there was no justification for my Honourable friend Mr. Basu to think that the Mussalman community has also been infected with this disease. If he has any knowledge of the history of Islam he would know that there is no caste distinction at all among the Muslims.

THE HONOURABLE MR. BIJAY KUMAR BASU: Sir, on a point of personal explanation. I pleaded my ignorance at the beginning of my speech.

THE HONOURABLE THE PRESIDENT: I think all this is superfluous.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: Just one word about the undesirability of Sayyids taking to the profession of arms. My Honourable friend appears to be labouring under the misapprehension that the profession of arms is one not suited to a noble or respectable man. In thinking this, he very conveniently ignores the very plain historical fact that from the very beginning of man's history the greatest nations have always regarded the profession of arms as being the noblest profession of all. For when a man becomes a soldier it is not for the purpose of waging war, of carrying death and destruction to the peoples of other lands, but for the purpose of defending the hearths and homes of his own land, to resist tyranny and redress wrongs. Therefore this is a noble profession and has always been so regarded by all the great nations of the world. And the Sayyids took to this profession, and they distinguished themselves in the art of war as much as they distinguished themselves in scientific and other fields. If any of my friends would like to know about the history—

THE HONOURABLE THE PRESIDENT: There is no occasion to go into the history of the matter. The only question before us is whether Sayyids should be recruited or not. All this is superfluous.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: My only purpose is to show that among the Sayyids there have been people who could wield the sword with the same ease and skill with which they wielded the pen. There have been among them men who were both warriors and statesmen, warriors and scholars.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): I just wanted, Sir, to say a few words on this matter. To the best of my recollection a similar point was put to the late Commander-in-Chief Sir William Birdwood in this House by Sayyid Mehr Shah in connection with the recruitment of Sayyids, and to the best of my recollection Sir William Birdwood

tried to answer that question in Urdu, and his words were that the commanding officers of several units had written reports against the Sayyids, that they could not be made into good soldiers, and that was why he could not enlist them. You see the wording of Sir William Birdwood's reply here. Sayyid Mehr Shah put this question to him. Apart from whether they are good soldiers or not—that has got nothing to do with me and as a Muhammadan I have great respect and regard for them. It seems to me that the proper position of a Sayyid is to teach the Muhammadan his religion. I do not know why the Sayyid insists on a military career? His work is to preach as a missionary of Islam and see that Muhammadans stick to its principles.

THE HONOURABLE THE PRESIDENT: Order, order. The Honourable Member is raising controversial questions.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: This question was dealt with in this House and to the best of my recollection that reply was given. I know nothing about the subsequent orders. As regards their merits or demerits as a military people, I do not want to say anything.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): I do not want to make a speech, but I may be permitted to refer to a point made by His Excellency the Commander-in-Chief, I think he told the House that recruitment rests entirely with commanding officers and he asked the Honourable Mover if he could show any letter from Army Headquarters in regard to the exclusion of Sayyids—

THE HONOURABLE THE PRESIDENT: The Commander-in-Chief also added that there was no order from him to that effect.

THE HONOURABLE SIR PHIROZE SETHNA: Yes, Sir. May I know if the commanding officer has *carte blanche* in this matter? Can not Army Headquarters interfere as the Government of India do when they issue circulars in regard to appointments?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The commanding officer has *carte blanche* as regards sub-divisions only within the area allotted to him.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I had no mind to make any long speech in reply. What I wanted to do was just to express my thanks to His Excellency the Commander-in-Chief for telling us in very definite and clear terms that there is no restriction on the enlistment of Sayyids, and that was enough for my object. But unfortunately one or two Members have made certain remarks which are quite unnecessary and I feel, Sir, with your permission, I must reply to those remarks. As regards my Honourable friend Mr. Basu, I have nothing to tell him except this, that if he studies Islamic history he will find that our Prophet was both a statesman and a soldier, an orator and a learned person. He possessed all the qualifications. In almost all the battles the armies were commanded by himself. Therefore it is not that his descendants should confine themselves to literature and to offering prayers in the mosques. He is probably thinking of the Mullah, who more corresponds to the Brahmans than the Sayyids. As regards the remarks made by the great Colonel from the North-West Frontier Province, the fact that a man has just become a Colonel is not proof that

[Raja Ghazanfar Ali Khan.]

he can speak with authority about all the castes and their fitness in war. I can assure you, Sir, that I have a large number of majors in my constituency, and it is not the first Colonel that I have come across, and they have all told me that on the battle-fields in Mesopotamia, France, and in other parts of the country they found the Sayyids were the bravest soldiers—

THE HONOURABLE THE PRESIDENT: No apology is needed at all.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: He has maligned the name of the great Field-Marshal and the most popular Commander-in-Chief, His Excellency Sir William Birdwood. I knew him since he was in the Northern Command. The Colonel has not told us what was the question, he has not quoted the answer and I am not prepared to accept such an irresponsible statement which the Honourable Member has made in this House, that a certain question was put by Sayyid Mehr Shah and a certain reply was given by the Commander-in-Chief in Urdu. I can assure you, Sir, that if he will point out to me or to this House that officers commanding some regiments have reported that Sayyids were bad soldiers, I will certainly accept what he says, but not without his substantiating the statement. Am I to understand that the Colonel knows more than His Excellency the Commander-in-Chief about the state of affairs in the army? Here is a gentleman hailing from a part of the country where there is no education, where the people are most backward, most illiterate, who thinks he knows more than His Excellency the Commander-in-Chief about the fitness of Sayyids. Does he mean to say that in spite of those reports from officers commanding that Sayyids were not good soldiers His Excellency the Commander-in-Chief will get up on the floor of this House and say that there are no restrictions on the enlistment of Sayyids? I am surprised that some of the Honourable nominated Members, who have no responsibility and who are not answerable to their constituencies, make irresponsible statements.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: I say look up the debate and you will find Sir William Birdwood answering the question.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I hope my Honourable friend will not be angry with me when I tell him that even in his part of the country Sayyids are looked upon with great respect. I heard a story that a Sayyid happened to go to a village in his part of the country. They perhaps had never seen a Sayyid before. So they entertained him and were very kind to him. He stayed there four, five or ten days and then for a month. He wanted to go. "Well", they said, "this man is going; we will be deprived of all the blessings which accompany him", but as he would not listen, they decided to kill him; they murdered him and built a huge tomb over his dead body, so that they may worship the tomb at least. This is the kind of respect which the people belonging to my Honourable friend's country hold for Sayyids, and I am sure when they learn that the great Colonel has made such a speech they will not approve of it and they will ask him to show more respect to this community.

Well, Sir, I am very grateful to His Excellency the Commander-in-Chief. I have only one request to make. I entirely agree with him that it is not wise to restrict the choice of the officers commanding in getting the best young men

who come before them for recruitment, but at the same time if there is a general complaint, that for some reason or other, there is a tendency amongst the officers commanding to leave out those young men who are otherwise eligible from one particular community or caste, I think it is the duty of the Army Department to draw their attention to this fact. Now, the proceedings of this debate I am sure will be printed in the press, but as I think His Excellency the Commander-in-Chief remarked on another occasion that these military officers do not read papers and do not bother about such things I wonder whether they will read that His Excellency the Commander-in-Chief has said that there is no restriction on the enlistment of Sayyids and if His Excellency will devise some means by which these officers commanding will know that His Excellency said that there is no such restriction, I will be quite satisfied.

THE HONOURABLE THE PRESIDENT: You have not informed the Council whether you are going to press the Resolution?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am not going to press the Resolution. I will only request His Excellency to adopt some means by which this misunderstanding may be removed. I ask the leave of the House to withdraw the Resolution.

The Resolution* was, by leave of the Council, withdrawn.

BALLOT FOR THE ELECTION OF THREE NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

THE HONOURABLE THE PRESIDENT: Honourable Members will proceed to elect three Members to serve on the Standing Committee for Roads for 1935-36.

(The ballot was then taken.)

BALLOT FOR THE ELECTION OF TWO NON-OFFICIAL MEMBERS TO THE STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

THE HONOURABLE THE PRESIDENT: Order, order. Members will now proceed to elect two non-official Members to serve on the Standing Advisory Committee for the Indian Posts and Telegraphs Department.

(The ballot was then taken.)

THE HONOURABLE THE PRESIDENT: The result of these two elections will be announced later.

* Vide page 574, ante.

ELECTION OF TWO NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

THE HONOURABLE THE PRESIDENT: I have to inform the House that the Honourable Mr. Hossain Imam has since withdrawn his candidature for election to the Standing Committee for the Department of Commerce. As there now remain the following two candidates for two vacancies I declare them to be duly elected:

The Honourable Sir Phiroze Sethna, and
The Honourable Mr. Satyendra Chandra Ghosh Maulik.

The Council then adjourned till Eleven of the Clock on Monday, the 18th March, 1935.

COUNCIL OF STATE.

Monday, 18th March, 1935.

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

QUESTIONS AND ANSWERS.

REVISED SCALES OF PAY FOR THE ALL-INDIA AND THE SUPERIOR CENTRAL SERVICES.

79. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state their decision regarding the lower scales of salaries of future entrants into the superior and covenanted services of Government? If no decision has yet been arrived at, why not? When will it be arrived at?

THE HONOURABLE MR. M. G. HALLETT: The scales of pay for future entrants to services under the rule-making control of the Governor General in Council have already been revised, and I would refer the Honourable Member to the Revised Rates of Pay Rules, a copy of which is placed in the Library. As regards the revision of the scales of pay for future entrants to the Indian Civil Service and the Indian Police, the Secretary of State has decided to postpone further consideration of the question until after the passing of the Constitution Act.

ARRANGEMENTS FOR THE SUPPLY OF FOOD TO PILGRIMS ON BOARD PILGRIM SHIPS

80. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Will Government be pleased to state whether the Persian Navigation Company called for tenders for supplying food to the Hajis travelling by their boats? If so, how many tenders were received and whether the contract was given to the person whose tender was lowest?

(b) Is it a fact that the Director of the Persian Navigation Company gave a contract for supply of food on the boat to one of his own relations who is also his partner and that the contractor's charges for food from Hajis were excessive? If so, do Government propose to ask the aforementioned company to call for tenders in future?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: (a) Government understand that the shipping company did not call for tenders.

(b) Government have no information regarding the relationship between the contractor and the directors of the company. They do not consider that the charges for food fixed during the current pilgrim season are excessive.

THE HONOURABLE MR. HOSSAIN IMAM: Do Government fix rates without consulting the tendered rates or after consulting the tendered rates?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Government does not fix rates for food which are to be charged by the Company from the passengers. Government try to bring the shipping interests and the Haj interests together to enable them to arrive at a fair menu as well as the charges for it.

CASUAL LEAVE ALLOWED TO SUPERINTENDENTS OF POST OFFICES.

81. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Will Government be pleased to state how much casual leave is allowed to Superintendents of Post Offices in a year?

(b) Is it a fact that while other officers of the Government of India are allowed 21 days' casual leave in a year the Superintendents of Post Offices can get casual leave for 12 days only? If so, what are the reasons for this differential treatment?

THE HONOURABLE MR. D. G. MITCHELL: (a) Twelve days.

(b) I am not aware of the authority for the Honourable Member's statement that officers of the Government of India are allowed 21 days' casual leave in a year. In the Secretariat casual leave is normally limited to 10 days in the year. In the circumstances no question of differential treatment arises. I might add that casual leave is given entirely as a matter of grace and not of right.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Is it a fact that when the Superintendents go on casual leave, the *dak* follows them and they are responsible for the office work?

THE HONOURABLE THE PRESIDENT: How does that arise from the reply given to this question? I do not think it arises.

RESULT OF ELECTION TO THE STANDING COMMITTEE FOR ROADS.

THE HONOURABLE THE PRESIDENT: I have to inform the Council that as a result of the election held on the 14th March, 1935, the following three Members have been elected to the Standing Committee for Roads for 1935-36:

The Honourable Mr. E. Miller.

The Honourable Diwan Bahadur G. Narayanaswami Chetty, and

The Honourable Raja Ghazanfar Ali Khan.

RESULT OF ELECTION TO THE STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

THE HONOURABLE THE PRESIDENT: I have also to inform the Council that as a result of the election held on the 14th March, 1935, the following two non-official Members have been elected to the Standing Advisory Committee for the Indian Posts and Telegraphs Department:

The Honourable Mr. Mohammad Yamin Khan, and

The Honourable Mr. Jagadish Chandra Banerjee.

RESOLUTION *RE* DAMAGE CAUSED BY THE SALT RANGE AND KHEWRA SALT MINES TO AGRICULTURAL LANDS.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, with your permission, I would like to read once again the Resolution* which I moved the other day.

THE HONOURABLE THE PRESIDENT: It is not the practice. You have already read the Resolution when you moved it, and you can now proceed with your speech.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Thank you, Sir. Before I proceed to give to this House the history of this question, I would like to acquaint them with the locality of the Khewra salt mines and how the damage is caused. The Khewra salt mines are situated on a hill which extends over an area of about 50 miles. On the south of this hill is the river Jhelum. The mines were being worked during the time of the Sikhs too and before the British came, but on a very small scale. The damage which has been caused to the lands dates back to the last 20 years, as has been admitted by the Government themselves, in replying to the debate on the same question in the Legislative Assembly. I was responsible for bringing this matter to the notice of the Government of India originally in 1927 and again in 1930. When I moved the Resolution on the subject in 1927, I had two objects, first the grievances of the Khewra salt miners and the other, the damage caused by the salt mines. The Honourable Sir Basil Blackett, the then Finance Member, showed a very conciliatory attitude and at once agreed to the appointment of a committee, which met twice at Simla. But the committee was able to solve only the question of the grievances of salt miners and the second part of their work was left unaccomplished. This question was again brought before the Legislative Assembly by moving a cut under "Salt" in 1930. The then Finance Member, Sir George Schuster, at once agreed to the holding of an enquiry on the lines suggested by me. On that assurance, I did not press my Motion to a division. A committee was actually appointed which consisted of one Member of the Central Board of Revenue, the Salt Commissioner, Mr. F. L. Brayne, the then Deputy Commissioner of Jhelum and myself. This Committee held two meetings, went over the affected area and saw things for themselves. Unfortunately, Sir, Mr. Brayne, I was informed, was busy with some other important work and was unable to take part in the further deliberations of this Committee. On receiving this information, I wrote back to the Secretary saying that as Mr. Brayne had been Deputy Commissioner of Jhelum for three years, and as he had studied this problem very thoroughly and had all the facts and figures in his possession, it would therefore not be any use holding the meetings without him, and I wrote to the Government that I had no objection to the postponing of the Committee meeting until Mr. Brayne was available. Since then, Sir, I have heard nothing about this meeting. This was in September, 1930. I was no more in the Legislative Assembly and therefore I naturally could not pursue this question any further. Unfortunately, the man who was representing this constituency in the Assembly

*"This Council recommends to the Governor General in Council to appoint a committee to inquire how much damage has been caused by the salt range in general and by the Khewra mines in particular to neighbouring lands and villages in Jhelum and Shahpore districts and to report what compensation should be granted to zemindars and cultivators who have suffered on this account and what steps should be taken to stop further damage to cultivable lands and villages".

[Raja Ghazanfar Ali Khan.]

did not take any interest in this matter and so nothing was done after 1930. This question was again raised in the other House only during the last week when a token cut was unanimously carried demanding that an enquiry committee should be appointed. But, Sir, I must confess that I was extremely shocked to see the difference in the attitude adopted by the two previous Finance Members on this question, and the one adopted by the Government at present. In the first place, Sir, it was rather unfortunate that the Honourable Finance Member could not find time to deal with this question himself as was done by the two previous Finance Members. This matter was entrusted to the charge of a Secretary who, as he said in his speech, saw the file for the first time during the lunch interval and after half an hour's study got up on the floor of the House and made a speech. So the House can imagine what knowledge the Honourable Member in charge of the Resolution on the Government side could have about this question, and that is the reason why some of the statements made by him were not quite correct.

Now the question can be divided into two parts : first, the damage caused by the negligent working of the Government department concerned, and the second is what I would call the natural consequence of the presence of salt mines in that area. These questions must be considered separately, and here I have no hesitation in admitting that my Resolution, as it is worded, is liable to a certain amount of misunderstanding, because when I talk of damage and of a committee reporting what compensation should be paid to the people for the damage caused by the salt mines, what I really intend is the damage caused by the working of the Khewra salt mines. As regards damage caused by the existence of the Khewra salt range I can assure the Government I have no desire to ask them to pay any compensation. This question, Sir, concerns only a small part of one province but that should not be a reason why Honourable Members in this House should not sympathise with these poor agriculturists who have suffered greatly. That will I think be admitted by the Government, that even if there is a single citizen whose land has suffered even to a very small extent through the negligent working of the Salt Department, it is both the legal and moral duty of the Government to hold an inquiry and to pay compensation. The damage caused is due to two causes. Firstly, some years ago a spring suddenly appeared in the mines and the department started pumping out this water.

THE HONOURABLE THE PRESIDENT : Is it an actionable damage ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Certainly, Sir. The Government started pumping out this brackish water impregnated with salt and they let it flow on to the fields, without constructing any channel for it or taking care that salt water should cause no damage to the lands and to the wells. I ask the House whether it was not the duty of the Government to see that that salt water was properly conducted along a channel to the river Jhelum, which is only five miles distant from these mines, instead of letting it do all this damage to the land and wells. The second way in which the salt mines are responsible for causing damage directly is that a lot of refuse is accumulated outside the mines, which has now taken the shape of small hillocks. During the monsoon when the floods come the water passes over these hillocks of salt refuse and becomes saltish, with the result that it deposits salt and causes damage to the adjacent lands. To illustrate the extent of the damage which has taken place I may submit here that a town at a distance of five miles from the Khewra salt mines which was famous some time ago for

its beautiful gardens and its fruits and which had a population of 35,000, has now a population of 7,000 and it looks like a heap of ruins. A result which is entirely due to the Khewra salt mines and the salt range. Then, Sir, there are a number of villages, at least 100, where, you will be surprised to know, the people cannot get water for drinking purposes, and the women have to walk ten or eight miles to bring drinking water from the river. And that also is only for six months in the year when the river is flowing. When the river is not flowing then these poor village girls go to the railway stations, a distance of four or five miles and entreat the station master to give them a little water from the water wagons which bring the railway station supplies. I wonder if there is any other part of the country where people suffer to this extent and yet have their grievances unredressed. It is just possible that the Government may take the attitude that this is primarily the concern of the Punjab Government. To some extent that is right, but when the Salt Department are deriving a benefit of Rs. 40 lakhs per annum, and who post guards all over the area to prevent cattle grazing or the taking of any salt, is it not their responsibility and moral duty at least to contribute something towards removing the legitimate grievances of these people ? The other attitude which the Government may take is that they have addressed the Punjab Government on this matter and the latter propose to appoint an expert to find out how this damage is caused and what remedies are necessary. If the Government take that stand it will mean nothing less than shelving the question, because I may inform them, as they may not be aware of it, that in 1922 the Punjab Government did appoint two experts to investigate the matter.

THE HONOURABLE THE PRESIDENT : Why do you anticipate objections ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Because similar objections were raised in the other House, so I have the advantage of knowing what the Government might say, unless they have reconsidered the question and their attitude is different now. These two experts were appointed in 1922, and I speak from personal knowledge because I toured with them in this area. They submitted a report to the Punjab Government, so that a report by experts is already there and it would be no use saying that the Punjab Government are appointing an expert and we should wait till the expert has reported.

Then, this is not a question which is being considered in this House for the first time. The Punjab Government I must say have not been blind to this problem. They have been busy trying to solve this problem since 1900. There are at least half a dozen different schemes which have been prepared, but none of those schemes were put into practice. One scheme was to dig a canal from the river Jhelum and to pass it through this area to irrigate these lands, and experts were of opinion that through this canal water the lands which have become salted up would again become culturable. This matter was twice or thrice investigated by the Government, and the canal was actually started and dug for half a mile, but again the scheme was abandoned, probably because the Government thought that the return from this scheme, which they were going to finance out of capital, would not be adequate. The scheme therefore was not carried out. Then, Sir, this is most unfortunate for those people that on the same hill there are springs, quite a large number of springs, which contain pure sweet water, extremely beneficial for agricultural lands. That water is continuously flowing down, and is perfectly sweet until it reaches the saltish area of the Khewra salt mine. The moment it reaches that area,

[Raja Ghazanfar Ali Khan.]

it becomes saltish and when it flows down to those lands it becomes absolutely saltish. Supposing the Government undertook certain schemes to see that water from those springs flowing down into the lands passed through the lands without touching the saltish area, it would be beneficial for those people. There are several schemes and the Government have not done anything, and our patience is now exhausted, because this thing has been going on now for 35 years. Even if we assume for a moment that the presence of the Salt Range or the falling of rain is an act of nature and the Government cannot be held responsible for that, is it not the duty of the Government of India to make a contribution to help the people even if they have suffered on account of an act of nature for which they are not responsible? They set an example only the other day with regard to the earthquake in Bihar. I am not prepared to imagine that that was an act of Government; it was an act of nature, but still the Government of India made a considerable contribution to relieve the sufferings of those people. The object of my Resolution is a very simple one and the demand made therein is very modest. I do not want a committee consisting of a majority of non-officials. I want a committee, Sir, consisting purely of officials. If they would care to have me on that committee, it is for them to decide. I do not mind if they do not have Indians on the committee. Let it be a purely official committee, but let them pay attention to this problem. The committee I propose should consist of a Member of the Central Board of Revenue, one Irrigation Engineer to be nominated by the Punjab Government, the Deputy Commissioner of Jhelum, who is an Indian Civil Service officer and Mr. F. L. Brayne, who is now the Commissioner for the uplift of rural areas and who has studied this problem. I shall be quite satisfied if this committee meets and meets preferably under the presidency of the Honourable the Finance Member provided he can find time or feels that he has not done all that was his duty by providing just one crore of rupees for rural people or if his brain is not always thinking of how gold can be exported from India more quickly. If he can find time and if he does not consider it below his dignity to personally look into this matter and not let the matter be dealt with as casually as it was in the past, I am sure he will find that without paying any direct compensation to the people but by just providing a little financial help to the Punjab Government, he will be able to remove the grievances of these poor loyal citizens.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, the villages near the Khewra salt mines are in a sad plight owing to the spread of saltpetre and most of the area has been rendered uncultivable during the last 25 years. The zemindar in the hope of getting something out of his land takes the trouble and expense of ploughing and sowing in the fields in the shore area. The seed does not germinate and if it does somewhere it brings a very poor crop. All the labour is wasted and he thus acts against the maxim :

“Zamin-i shore sumble bar niard. Daru tukhm-i amal zaia magardan”

which means that shore land will bring nothing; so do not waste your time on it. This has become a serious problem for the zemindars on the salt range, especially in the Pind Dadan Khan tehsil. The zemindars in that part deserve sympathy in their terrible sufferings owing to this constant spread of saltpetre. I therefore support the Resolution proposed by my friend the Honourable Raja Ghazanfar Ali Khan and hope that steps will be taken to investigate the disease and find a remedy.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by Raja Ghazanfar Ali Khan. Sir, I take it purely as a business proposition that an industry which is run by the Government ought to fulfil and be carried out on the same footing as a private person would carry it out. The discharge from the mines is the cause of the damage to the land of the agriculturists near the Khewra mines and I think it is the duty of the Government of India to discharge that saltish water in a manner in which it may not cause the damage which it is causing now. Therefore, Sir, I request the Government to treat their own concern in the same manner in which they expect a private enterpriser to keep his concern. Committees, as the Raja Sahib has already pointed out, have already sat on this question, but no suitable solution has so far been found. The only solution which is to be found is in the discharge of that water into the Jhelum river or into a barren place. If some drainage scheme is devised to get rid of that saltish water into the river or into some other place where the lands are not cultivable, a solution can be easily found. Therefore, Sir, I support the Resolution of the Raja Sahib.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary) : Sir, the Honourable Raja Ghazanfar Ali Khan said that he first raised this question in the year 1927, but I find looking back through the papers in the Finance Department that he actually had raised it one year before that and that he then approached the Member of the Central Board of Revenue with certain grievances connected with the Khewra mines, one of which was connected with the problem of the lands in the neighbourhood of the mines—the problem of the loss of their fertility owing to the action of the salt water. The grievances represented by the Honourable Raja Sahib in the year 1926 were sent to the General Manager of the mine for his opinion and he stated that the water of the stream with regard to which complaints had been made was already brackish long before it reached the mine owing to the fact that it flowed over exposed surfaces of salt. The other allegation was that rain falling on certain refuse heaps of salt carried the salt in solution down to extensive areas of cultivated land below. Again, his opinion was that the allegation could not be substantiated : he did not think there was anything in the complaint. That was where the matter ended in 1926 but the Raja Sahib again took it up in 1927 as he states. The then Honourable Finance Member, Sir Basil Blackett, gave an undertaking that there would be a conference at which he himself would attend as well as the Member of the Legislative Assembly, as the Raja Sahib then was, the Commissioner of Northern India Salt Revenue, and one of the Members of the Central Board of Revenue. A conference was held, as the Raja Sahib says, in July, 1927 in Simla, at which the various grievances which had been formulated by him were discussed. I find that when they reached this question of the state of the agricultural land, the note of the proceedings of that committee runs as follows :

“This matter was not pressed. Mr. Wilson (I think he was at the time Deputy Commissioner of Jhelum), pointed out that all salt range gorges discharge saline waters deleterious to lands below”.

The Honourable Raja Sahib said that this part of the proceedings of the committee was left unaccomplished. I think it would be more correct to say that the Raja Sahib himself at that time did not wish to press this point.

The third occasion on which the Raja Sahib brought this matter up was in connection with the budget of 1930-31, and the Honourable Sir George

[Mr. P. C. Tallents.]

Schuster, who by that time had become Finance Member, promised that he would take the earliest possible opportunity to have the matter inquired into. He accordingly instructed the Senior Member of the Board of Revenue, Sir Alexander Tottenham, to proceed to Khewra in the course of his tour and hold an informal investigation on the spot. This was done and Sir Alexander Tottenham met at Khewra the Honourable the Raja Sahib, the then Deputy Commissioner of Jhelum, the Commissioner of Northern India Salt Revenue, and the General Manager of the mine. So far as damage due to the operation of the salt mine is concerned, I find that, as the Honourable the Raja Sahib has said this morning, there were two grievances. One was the flow of water in the mine and the other was the flow of water from the dumps of refuse. Well, the note recorded on the spot in connection with the temporary flow of salt water from the sub-soil into the mine is to the effect that in 1925 this water began to flow, that the flow led to subsidence, that costly works were undertaken and it took three years to stop the flow. Certain houses were damaged and destroyed and the people were compensated. I find it recorded that this was not the damage which was then complained of. Therefore, if this damage was not complained of in the year 1930 and the flow of water has been stopped and compensation given to those whose property was affected by it, I do not think this can any longer be regarded as a substantial ground of complaint against the method of operation of the mine.

The second ground of complaint was connected with two dumps of refuse, one of which was at the entrance to the mine and the other one lower down, near the entrance to the gorge. These are described as quite small affairs and it was recorded, after the committee had met on the spot, that any rain water which fell on these dumps of refuse must fall into the gorge stream which was already saline. The effect was stated to be negligible.

After this informal discussion on the spot, Sir George Schuster tried to arrange another meeting at Simla, at which again the Raja Sahib was asked to be present. Mr. Brayne, the Deputy Commissioner of Jhelum, was to be there and various other officials. A letter was written to the Raja Sahib asking him specifically whether he attributed the damage to the mine or to the presence of the salt range and to give his reasons so that there might be a discussion in this committee. Actually, as the Raja Sahib says, Mr. Brayne was not able to be present at that committee and so the whole meeting fell through and nothing more was done. As the Raja Sahib attaches considerable importance to Mr. Brayne's opinion, it may interest the House to know what Mr. Brayne's opinion about the result of the operations in the salt mine was. He thought that the work of the Salt Department could not have a very large effect on the salinity of the country around. Again, in another communication, he said that he did not see how the damage to the neighbourhood could be traced to the salt operations in the Khewra gorge. That was the opinion of the Deputy Commissioner of Jhelum, Mr. Brayne, to which the Raja Sahib evidently attaches considerable importance.

There is another opinion of another official, Mr. Crump, who was once Sub-divisional Officer in Pind Dadan Khan and also Deputy Commissioner of Jhelum. There is no doubt that something has occurred in that neighbourhood since about the year 1894, that is to say about 40 years ago. Mr. Crump thought it might be due to a saline efflorescence due to the heat in the dry season drawing up sub-soil saline water. He did not ascribe it to the operations in the salt mine.

Since then, that is to say since 1930, until the present year, Government had received no further representation about this trouble in Khewra. A cut Motion was moved in connection with the salt budget in the Assembly the other day and the Raja Sahib says that it was unanimously carried. Actually that was not so. The Motion was challenged by the Government Members but it was not carried to a division. It was not unanimously carried.

Now the points that I should like to make at this stage are first that, if the meetings of these committees ended without any definite conclusion, it was primarily due to the Raja Sahib's own action in saying that he did not want this committee to meet until Mr. Brayne could be present. The second point which I would make is that *prima facie* there is no reason to believe that the damage in the neighbourhood of Khewra is due to the way in which the salt mines are worked. There are considerable exposed surfaces of salt on the hill sides; the salt is washed down by the rain and by streams which are most of them,—all, I think, except one,—unconnected with the mine. This mine is worked below ground level and rock salt is excavated,—solid rock salt. There is no cultivated land, I understand, within about a mile and a half of the mine. The Commissioner of Northern India Salt Revenue, whom I have consulted, tells me that in the course of his tenure of his office he has often visited Khewra and received many complaints but he has received no complaint about the matter which has been raised by the Raja Sahib this morning. Therefore, *prima facie*, it does not seem that the mine is playing a very large part in causing this damage to the neighbouring land. There is, I may say, no drainage channel leading from the stocks of salt to the cultivable lands. There is no question of the discharge of salt water directly from the mine, as the Honourable Lala Ram Saran Das has suggested. There are depots for storing salt from the mine: one is surrounded by a wall, one is partly surrounded by a wall; but in the second case a part of the wall has been left to stop any possibility of the flow of saline water. For this water to reach any cultivated land, it must drain out of the depot, pass through a bazaar, over or under a railway, and then cross a considerable distance of flat and barren country.

There is no desire on the part of Government to minimise the importance of this problem. The belt affected is about 50 miles long and several miles broad and it is not possible surely to attribute the damage which has been done on such a very large tract of country to two small heaps of salt. Moreover, this is a provincial and not a central subject. Whether you regard it as a matter of water supply or land revenue or agriculture, in any case it is a matter for the local Government to deal with and for the Government of India to interfere, except in so far as it may be due to their method of operating their salt mine, would be an encroachment on what is properly the sphere of the local Government. What is required at the present time is a careful scientific investigation, I understand the Raja Sahib himself has already represented this matter to the local Government. The local Government have said that they are already considering the possibility of putting an expert on special duty to look into this matter and to ascertain the causes of salination. If the local Government require our assistance, we shall of course give it, and if they recommend the appointment of a committee and want assistance from the central Government in that matter, the matter will of course be very carefully considered when their communication is received.

As regards compensation, the Raja Sahib says that he only wishes to press this claim so far as the faulty operation of the salt mines is concerned. I hope I have been able to satisfy the House that Government cannot admit that it is owing to the method in which they work these mines that the lands in the neighbourhood have been affected. The problem is a very much larger

[Mr. P. C. Tallents.]

one and cannot possibly have been caused by any action or failure to take action on the part of the central Government. The Raja Sahib does not press the claim for compensation (which, I may say, Government themselves would not admit) on the ground of the presence of the salt range. After all the salt range was placed there by an act of God, and Government are now doing their best to remove it. Again, the argument that Government derives an income from this salt range will not hold water. The revenue which Government desires from the salt comes not from the range but from the consumers. The salt is sold to the consumers at cost price *plus* the duty; there is no case for allocating the duty which they pay to the district of Jhelum. I may also point out that, although the lands may be suffering, the presence of the mine in Khewra confers a very distinct benefit on the neighbourhood. There is a labour force of just under 1,000 men on the average which receives wages amounting to about Rs. 3½ lakhs a year. If agriculture in the neighbourhood is suffering, at least they have this very appreciable source of income to help them out. Government, therefore, are not prepared to admit that *prima facie* there is any case for compensation. They do not consider that the method in which the salt mine has been worked can possibly be held to have caused more than possibly a very small part of the damage which has been done to the lands in the neighbourhood.

The Honourable Raja Sahib says that an expert had already been appointed in 1922 and that no practical results were obtained. To that argument, I think I may reply that two committees have already been appointed and no practical results have been obtained by that means either. I am afraid, therefore, that I must oppose this Resolution on the grounds that this is a provincial subject and that if the provincial Government in due course come to the Government of India and say that a committee should be appointed, and that practical benefit will be derived from such a course, then of course the Government of India will consider the proposal most carefully.

THE HONOURABLE THE PRESIDENT: I would like you to say how the labour is provided with water.

THE HONOURABLE MR. P. C. TALLENTS: I am afraid I have never been to the Khewra mines. I therefore cannot tell you exactly. But I understand that part of the stream which flows down through the mine is carried down in pipes and the coolies who work possibly drink from that source.

THE HONOURABLE THE PRESIDENT: They drink saltish water?

THE HONOURABLE MR. P. C. TALLENTS: That is so possibly; I cannot say.

THE HONOURABLE THE PRESIDENT: I would like to know about another point. In the last 30 years, has any civil action been brought against Government for damages?

THE HONOURABLE MR. P. C. TALLENTS: Not to my knowledge.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I must admit that I am not very much surprised at the attitude taken up by Government. It was not unexpected, because I knew that these four days will not change

the mind of the Government. Unfortunately, Sir, Government, as it is constituted at the present day, is so irresponsible that even the most moderate demand, coming from any quarter,—it may be from the Congress or it may be from the moderates or it may be from the loyalists,—carries no weight as far as the Government benches are concerned. You will be interested to learn that this cut was moved by a man in the Legislative Assembly who always votes with the Government on every matter. It was supported by nominated Members. Practically all the Members who spoke on this Resolution were those who think it a sin to go and walk in the opposite lobby to Government. Then, what I said was that this Resolution was unanimously passed. The Honourable the Finance Secretary says that Government did not challenge a division—

THE HONOURABLE THE PRESIDENT: He said that it was not unanimously accepted. It did not go to a division. That is what he said.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: It did go to a division because Government knew that excepting the 26 official Members, there was not another Member who was going to vote with them, and that is why they did not have the courage to call for a division. I am sure that even this House, situated as we are, and with all the handicaps we have got, will be able to carry this Resolution. I am sure, Sir, that if the Secretary had been left to himself, his attitude would have been entirely different. He has read out opinions from Mr. Brayne. I am at present handicapped. He has read out from some private letter or some confidential document. He has read out only three or four lines. I am sure that if he reads out the whole opinion of Mr. Brayne, you will find that he has exposed the Government in perfectly clear terms. He has said that unless the Government are prepared to do something to relieve the legitimate grievances of these people, he will consider that these people are out to exploit the Indians. That was the reason why, I may tell you frankly, I insisted on Mr. Brayne being on this committee. In the Statutory Commission Report you will find that they mention the name of only one Indian Civil Service officer and that is of Mr. Brayne. The Statutory Commission say that unfortunately the men who are sent out to India do not know what self-government is—

THE HONOURABLE THE PRESIDENT: Please do not digress.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: This is a most important point that vitally concerns the Resolution before the House. They say that the Indian Civil Servants who are sent out to India know nothing except "law and order." They do not know what really constructive work means, and the commissioners say that the only one exception they found in India was Mr. Brayne, and that is why I insisted that Mr. Brayne, who has been given such a good certificate by the Statutory Commission and who has been Deputy Commissioner of the Jhelum district must be on this committee. I deliberately avoided attending that meeting unless Mr. Brayne could be present. The present Deputy Commissioner is Mr. Innes, the son of Sir Charles Innes, who was our Commerce Member some time ago. I am prepared to tell the Government that if they ask Mr. Innes to report on this matter, I will be quite satisfied with what he says. What is the use of somebody here getting up who admits that he has never been to the Khewra salt mines, and who does not know what the country he is talking about is like and who can never form a true opinion of these matters? You asked certain questions,

[[Raja Ghazanfar Ali Khan.]

Sir. What was the reply? You asked him how the water is provided in the mines. You asked whether they drink saltish water. They do not drink saltish water. They drink sweet water.

THE HONOURABLE THE PRESIDENT: You have said that in your opening speech, that they bring the water from eight to ten miles away.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: It is brought to them there in the mines through waterworks. Now, as regards the new theory started by the present Finance Member that this is a provincial matter. I say that Sir Basil Blackett and Sir George Schuster both admitted that this was a central subject and it was the duty of the Government of India to hold an inquiry, and there was no word in their speeches about the provincial Government. If he wants me to tell him whether the Punjab Government have taken part in this matter and have approached the Government of India on this subject or not, I may inform him that they have done so. I cannot tell him the exact number and date of their letter but I know it was in the time of Mr. Crump, whose opinion the Honourable Mr. Tallents himself mentioned. And what they said was that if you are not prepared to give us compensation it is our legitimate right that a part of this income should be given to this district board annually, and that claim was supported by the Punjab Government who approached the Government of India on the subject. If somebody were to challenge me to substantiate this, I must confess that I have no direct evidence except that in a speech of Sir Basil Blackett on a different subject he gave us a sort of hint that such a request was made. This I will read from Volume 8 of the Legislative Assembly (Simla) debates of 1926. Talking on the Taxation Inquiry Committee Report, Sir Basil Blackett said:

"A case came to my notice recently in which a local authority proposed to put a heavy duty on goods exported from within its jurisdiction in an area in which the main export is salt".

From this passage in his speech I concluded that he was referring to the District Board, Jhelum, and their claim, which was supported by the Punjab Government.

Now, Sir, what is the use of coming here and saying this is a provincial subject when you know perfectly well that the Punjab Government have been addressing you on it all this time and asking you to do something for them. And what is the object of my Resolution? It is only to bring together the officials of the Government of India and the officials of the Punjab Government to devise some means and propose some remedies. They will never otherwise come together. When you approach the Punjab Government they say that salt is really the concern of the Government of India and those who derive benefit from it should be responsible and do something; and when we approach the Government of India they reply that it is a provincial subject. It is said that so far as this income from salt is concerned—

THE HONOURABLE THE PRESIDENT: You need not dilate on that point, because if it was a purely provincial subject I would not have admitted this Resolution.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Thank you, Sir. I need not say anything further on this point. But I may assure my Honourable friend that if a portion of the tax which is paid by consumers of salt is devoted to the relief of the sufferings of these poor people, the consumers will

not grudge it, because they know it will be usefully spent, more than in many other directions in which it is being wasted.

I hope I have convinced the House that the demand is reasonable. The Government do not deny that the evil is considerable and that the people are suffering. They also do not deny that it is due to the existence of the salt range. Therefore I am sure every section of the House will support me in passing this most moderate Resolution, and I trust that the Government will not treat this Resolution with the same contempt with which they treated the Resolution in the other House.

THE HONOURABLE MR. P. C. TALLENTS: A considerable part of the Raja Sahib's speech was concerned with the constitutional position as to whether this was a provincial or central subject. He said that Sir Basil Blackett and Sir George Schuster both treated it as a central subject. They did, because the Raja Sahib alleged that most of the damage was due to the method in which this mine was operated. Well, as I have tried to explain, thanks to the Raja Sahib bringing this question up, certain informal inquiries have been made, from which the central Government are satisfied that there is an entire disproportion between the problem of the salination of the lands in this part of the Punjab and the alleged cause. They are satisfied that the cause which the Raja Sahib originally alleged cannot possibly have led to this very widespread deterioration of the lands over a belt which extends for about 50 miles in length and several miles in breadth. Therefore, if Government have reason to suppose *prima facie* that the method of operation of the salt mines is not the cause of this deterioration of the land, they say that it is not a central subject, and that it is a matter for the provincial Government to deal with. If the provincial Government go into this matter and come to the conclusion that anything the central Government could do would alleviate matters, then of course the central Government would do all they can to help. If they want to appoint a committee and want employees of the central Government to assist, the Government of India would do their best to meet them in this matter.

The Raja Sahib quoted from an opinion of Sir Basil Blackett about a certain tax which the Jhelum District Board were proposing to impose. I think he rather gave the impression that Sir Basil Blackett was in sympathy with the Jhelum District Board?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: No, Sir, he was not.

THE HONOURABLE MR. P. C. TALLENTS: I merely wanted to make the point that he held the diametrically opposite view. However, if that point is clear I do not want to labour it.

Sir, I am quite prepared, if the Raja Sahib would like, that the central Government should send a copy of the proceedings of today's debate to the Punjab Government.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Nobody would read them!

THE HONOURABLE MR. P. C. TALLENTS: It seems to me rather curious that the Raja Sahib should suppose that the Punjab Government will take no interest in the matter, when the officers he mentioned as taking such a deep interest are serving under the Punjab Government, Mr. Brayne and Mr. Innes. How after all will the central Government get in touch with these officers except through the Punjab Government?

[Mr. P. C. Tallents.]

Well, Sir, there is nothing more to be said on this matter. So far as the central Government are concerned they do not consider that there is justification for appointing a committee at the present time. They are quite prepared to refer the matter to the local Government whose business it is and if the local Government desire to have a committee the central Government will give them all the assistance they can. I feel bound, Sir, having stated the case of the central Government as clearly as I can, to oppose this Resolution.

THE HONOURABLE THE PRESIDENT : Resolution moved :

"This Council recommends to the Governor General in Council to appoint a committee to inquire how much damage has been caused by the salt range in general and by the Khewra mines in particular to neighbouring lands and villages in Jhelum and Shahpore districts and to report what compensation should be granted to zemindars and cultivators who have suffered on this account and what steps should be taken to stop further damage to cultivable lands and villages".

The Question is :

"That this Resolution be adopted."

The Council divided :

AYES—22.

Askuran, The Honourable Mr. Shantidas.
Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Srijut Heramba Prosad.
Buta Singh, The Honourable Sardar.
Chari, The Honourable Mr. P. C. D.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Ghazanfar Ali Khan, The Honourable Raja.
Gounder, The Honourable Mr. V. C. Vellingiri.
Halim, The Honourable Khan Bahadur Hafiz Muhammad.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.
Kalikar, The Honourable Mr. V V.

Khaparde, The Honourable Mr. G. S.
Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Mitha, The Honourable Sir Suleman Cassim Haji.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Naidu, The Honourable Mr. Y. Rangana-yakalu.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N.
Sethna, The Honourable Sir Phiroze.
Suhrawardy, The Honourable Mr. Mahmood.

NOES—27.

Basu, The Honourable Mr. Bijay Kumar.
Charanjit Singh, The Honourable Raja.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the Devadoss, The Honourable Sir David.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Ghosal, The Honourable Mr. Jyotsnanath.
Gladstone, The Honourable Mr. S. D.
Habibullah, of Dacca, The Honourable Nawab Khwaja.
Hafcez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The Honourable Maharajahdiraja Sir.

Menon, The Honourable Diwan Bahadur Sir Ramunni.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.
Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Philip, The Honourable Mr. C. L.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Sprawson, The Honourable Major-General C. A.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

RESOLUTION RE STEPS TO CHECK THE INCREASE IN POPULATION.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I rise to place before the House the following Resolution :

"This Council recommends to the Governor General in Council to take practical steps to check the increase in the population of India".

This Resolution which I have just read has not been brought forward in pursuance of a fad, or as a means of copying what others have done. Because it is a necessity for India, a dire necessity, that this increase in population should be checked, that I gave notice of this Resolution. Mr. President, it is a matter which primarily concerns the masses, the dumb millions, whose voice is never heard in the councils of the Government. Representing a fairly large electorate indirectly in this House, I claim, Sir, that it is our duty to place before the Government and the House the evil results of the increase in the population which is going on at the present moment. I should like, Sir, first of all to say exactly what I wish the Government to do and what I do not want them to do at the present moment. In the present condition of the country when this proposition has not been widely discussed, it is not proper for me to ask the Government to bring forward any legislative enactment for this purpose. We can only ask them to make the country conversant with the evils of the unchecked increase and to inculcate in their minds the possibility of using birth control.

THE HONOURABLE THE PRESIDENT : Is that the sentiment of the masses ?

THE HONOURABLE MR. HOSSAIN IMAM : The masses do not know. There are many things which the masses have got to be taught. First of all, they do not know how to read. Do you mean to say that they should not be taught ? It is not what they want, but what is good for them.

Sir, the problem of the population in India is that during the 30-year period from 1891 to 1921 the population increased by 32 millions, while in the last decade, between 1921 to 1931, the actual increase in population was 34 millions,—two million more men than there was in the previous 30-year period. That in itself will show how acute the present condition is. Knowing also, Sir, that it is a sort of recurrent increase and that it increases in geometrical progression, I would not be an alarmist if I were to say that by the beginning of the fourth decade we will have an increase in population of very nearly 150 millions. May I ask, Sir, whether the Government are ready to give a pledge that they will find employment and subsistence for 15 crores more in less than 40 years. As it is, the Government cannot find employment for the present population, then what will they do when 15 crores more mouths are to be fed and bodies to be clothed ? Sir, knowing the economic conditions of the world in general and of India in particular, one cannot view this influx of population with equanimity or with any favour. As it is, the problem of unemployment is acute enough in India. Only the other day we discussed a Resolution on the subject of unemployment. What was the net result of that discussion ? The Government said they had no statistics of the unemployed in agriculture. The only statistics, and that too partial statistics,

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that they possessed was about those employed in the industries. Let us take that as a barometer. The Honourable Mr. Mitchell told us that the number employed in the major industries in the period 1929—1933 fell by 200,000 from 2·5 millions to 2·3 millions. That means, Sir, that there was a drop of 12 per cent. A further fact which came to light from the census report was that the actual proportion of the persons employed in the industries has also fallen. The proportion that they had in the population of India in 1921 was 10·45 per cent, but in 1931 the census showed that their percentage had fallen to 9·95 per cent, which means that a fall of ·5 (which amounts to about 5 per cent.) has already taken place. Even with the increase of industrialisation we are not employing as many men, even that proportion of men which we were employing in 1921. Acting on that principle, Sir, we would not be pessimistic if we were to say that the number of unemployed at present only in agriculture will also be in that proportion because the agricultural prices have fallen much more steeply. Sir, the census shows that more than 100 million persons were dependent directly on agriculture. Therefore, a 12 per cent. fall will show that there are 12 million people dependent on agriculture who do not get their subsistence from that industry. Has the Government done anything to relieve these teeming millions? Have they taken any steps so far to alleviate their sufferings? Do they propose to take steps in the near future to find employment for the existing unemployed in agriculture? The Government will tell you clearly, that they have no means to do this, that it is beyond their power, that their income is too small to allow them to give any sort of dole to the unemployed as is done in England. Therefore, Sir, I ask, is it possible that in the short space of 30 years the Government will become so rich as to give doles to all the unemployed? Or will it become so national in character that it will think it to be its bounden duty to support all those unborn citizens of India who are bound to be born in the near future? With our proverbial poverty, our vanishing balance of trade in merchandise, with restricted trade, with foreign domination, with ever-increasing foreign commitments, it is idle, it is foolish, it is almost criminal negligence on our part to let things drift. It is our duty to tell the people of India and its Government that unchecked increase of population will bring us all on the brink of violent revolution. It is this unchecked increase of population which has so much accentuated the class warfare and added to the terrorist movement in Bengal because the pressure of population in Bengal, Sir, is the highest in British India. Let us look at the world facts. Productivity was pressed and preached in olden times because it was the only yard-stick with which to measure the military strength and the only standard of any bearing for computing the earning capacities of nations. Both these measures are now out of use. In the army organisation and equipment are the deciding factors. In trade, mechanisation is now the main theme. We know how Japan has by means of perfect mechanisation, marketing control, and planned trade conditions, dumped the markets of the world. It is not the population which counts but it is the brain and machine behind the industry which make the industry a success or failure. (*An Honourable Member*: "Have they resorted to birth control measures?") Mr. President, the Japanese nation are no doubt a leading nation but it does not mean that whatever they do is good and whatever they do not do is bad. I may say, Sir, that about eight or nine years back, a Resolution was moved in their House of Lords but unfortunately not carried. (*An Honourable Member*: "What measures do you suggest?") Sir, I do not wish to bind the hands of the Government to any definite action. It is for them to decide, they have Major-General Sprawson to advise them on the medical aspect and tell them what ought

to be done. (*An Honourable Member*: "What about child marriage?") Mr. President, the Government thought it its duty to bring forward a measure —(*An Honourable Member*: "It was not the Government who brought it".) Had it not been for the support of the Government the measure would not have been passed. We know that in this House the Muhammadan Members almost unanimously opposed this measure but still in spite of that it was passed, and although Muslims have been agitating for a long time against this measure, Government has not thought fit to heed them. They did it because they thought it was their duty. Well, in the same way, I want them to do this from a sense of duty too.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Is child marriage a practical step towards this?

THE HONOURABLE MR. HOSSAIN IMAM : When we are discussing child marriage, we will consider the question whether it is practical or unpractical. At the present moment we are considering the human labour as a factor in production. Every day, mechanisation is increasing and replacing human labour. With increased production, the number of unemployed is on the increase. To those who think that industrialisation is the remedy for the increase in population my reply is this. England with a population of 4½ crores, and in spite of a world empire and of a century's lead in trade and commerce has still 2·5 million unemployed. How can we even dream of giving employment to 40 crores?

THE HONOURABLE MR. BIJAY KUMAR BASU : What is the remedy you recommend? You do not recommend anything!

THE HONOURABLE MR. HOSSAIN IMAM : My remedy is, as I said in the beginning, birth control.

THE HONOURABLE THE PRESIDENT : Birth control—in what shape?

THE HONOURABLE MR. HOSSAIN IMAM : That is for the Government to say.

THE HONOURABLE MR. BIJAY KUMAR BASU : Do you want the police to mount guard?

THE HONOURABLE MR. HOSSAIN IMAM : The Government have got experts; this House has also got experts to advise, like Dr. Sir Nasarvanji Choksy. From the economic point of view it is plain that the increase in population, if it goes on, cannot be supplied with the power to purchase means of sustenance. After all, the foundations of all wealth is labour. Unless there is human labour, you cannot give to these units the purchasing power. All the labourers in the rural areas are agricultural, and they are employed only for three or four months in the year. Afterwards, they have no employment. Therefore, their purchasing power is very much reduced, and they are not able to take care of themselves. Sir, Government have imposed on us imperial preference, protection, quota and the other paraphernalia of economic nationalism. They have ruined our export trade on which depends the prosperity of the great masses of India. Our industries no doubt supply the home market but they are not the things which supply us with material

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to purchase our foreign goods and to finance our external commitments. For all these purposes we have to rely on our production. In this field the coming in of Russia and the economic self-sufficiency of other countries is having very harmful results on the Indian export trade. Every country wishes to be self-sufficient, as we ourselves are trying to be. We cannot blame them if they do not want to purchase from us. Russia has gone in for mass production on a large scale without capital and on the principle of State ownership. That is a country which has no unemployment problem at the present moment. Every one there is employed. Unless Government is anxious to bring India to the state of affairs which prevails in Russia, they must be up betimes and take care of these things. When there are hungry hordes who cannot find employment, who cannot find bread and butter for themselves, what will they do? They will clamour for their right by violent and armed rebellion. It is for the safety of the British Government itself that they ought to take steps now, otherwise, they will be swamped by the coming hordes.

THE HONOURABLE MR. BIJAY KUMAR BASU : How can these people who cannot have bread have birth-control contraceptives?

THE HONOURABLE MR. HOSSAIN IMAM : It is an economic proposition. The cost of rearing children from the time of their birth to the time when they are units in the labour market will be more than the cost of contraceptives.

THE HONOURABLE MR. BIJAY KUMAR BASU : It is spread over a long period.

THE HONOURABLE MR. HOSSAIN IMAM : The Government can give them loans if they like to purchase these things, and thereby give some scope for the money market in Calcutta and Bombay to gamble upon. I wish now to explain the humanitarian aspect of this question.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians) : What about the religious aspect of it?

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative) : I would like you to speak about the remedies. We would like to know how you propose to stop it.

THE HONOURABLE MR. HOSSAIN IMAM : We all know that the expectation of life in India is very low. We all know that within the first year of life, nearly one-fifth of the children die.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Do you want all the children to be killed as soon as they are born?

THE HONOURABLE MR. HOSSAIN IMAM : Do you suggest that? Did you ever hear me suggesting that? Or are you suggesting it?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I am asking you whether it is your suggestion?

THE HONOURABLE MR. HOSSAIN IMAM : Did you ever hear me say that? If you did not hear me, why impute motives? It is a wrong policy. Of course, Sir, the nominated Members, who have no constituency to represent, who are repudiated by the Treasury benches, and not accepted by the non-officials, they can indulge in anything they like. They are neither fish, flesh, nor good red herring!

We know, Sir, that at the present moment, the number of persons above 50 is below 10 per cent. of the population, whereas the proportion of the people between the ages of 0 to 15 is 40 per cent. That shows how small is the expectation of life, and how great is infant mortality. We know that in the countryside, there is great female mortality during first conception. I am sorry, Sir, that no statistics exist about this. From my own personal experience, in certain towns, I was able to find that almost 20 per cent. of the women during the first conception period or within a month of first labour pass out. That brings us to the pertinent question, that when we are unable to take care of even the children who are born, whether it is right to go on producing at the rate at which we are now doing? To my friends who may say that contraceptive methods are used by debauchees, may I say that there is nothing to prevent people from indulging in these things? Contraceptives are available in the market and they know all about it. Only moral teaching can inculcate in the brains of the people a forbearance and it is not the mechanical things the want of which will prevent them from going on with licentiousness to their heart's desires. After all, human beings are also animals, we belong to the same mammalian groups.

THE HONOURABLE MR. BIJAY KUMAR BASU : Brutes!

THE HONOURABLE MR. HOSSAIN IMAM : It is only civilisation and the teachings of the different religions and the fear of the law which keeps in check the brutal instincts in us and brings forth the human out of us. Mr. President, there is no use of fighting shy of the problem. It is no good trying to hide our heads like ostriches. We have to face facts like men. The facts are there; you have to face them and to find a cure for them. It is very easy to let things drift and to do nothing. But if you really think that there is a prospect of unemployment for the coming generations, if you feel that your purses do not allow you to take care efficiently of the health of the present generation, what is the good of adding to the burden?

Now, Sir, I come to those of my friends who say they have religious scruples. In Lobby talks I came to know that many of my friends have doubts. I am however going to follow your advice, Sir, and will not anticipate criticism. I will reply to them when they come forward with their dogmas and rules. But I would only point out to them that they will only be bringing themselves and their religion to judgment if they just take shelter behind religious rules and do not substantiate them on economic, social and humanitarian grounds.

THE HONOURABLE MR. G. S. KHAPARDE : What are the practical steps you recommend?

THE HONOURABLE MR. HOSSAIN IMAM : I am coming to that, Sir. At the present moment there is no doubt that with the exception of the educated few this question has not filtered down to the masses and it is for that purpose, because they are ignorant of it, that I have asked the help of the Government. As I said in the beginning, I do not want any legislative enactment limiting the size of the family or anything of that nature. I simply

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wish them to take steps that in the curricula of secondary education, along with the newly introduced hygiene, chapters may be introduced on the disadvantages of a too considerable increase of population, and a few hints on contraceptive methods may be given to these children. Mrs. Grundy is dead and buried. There is no need taking refuge behind her broad back and saying we cannot talk of these things to the children. If you do not talk of these things to them, it is not that they will not learn of them, they do know of them, but they imbibe the information in quite a wrong way and get wrong ideas about them.

THE HONOURABLE THE PRESIDENT: What percentage of the population go to secondary schools?

THE HONOURABLE MR. HOSSAIN IMAM: At present about 7 or 8 per cent.

THE HONOURABLE THE PRESIDENT: How will the masses benefit?

THE HONOURABLE MR. HOSSAIN IMAM: *It is for that purpose that I desire the Government to have travelling clinics.*

THE HONOURABLE THE PRESIDENT: Then you want the Government to teach them contraceptive methods?

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, there is no harm in it.

THE HONOURABLE MR. BIJAY KUMAR BASU: Would there be any good?

THE HONOURABLE SIR PHIROZE SETHNA: Distinctly so.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Charity begins at home; then start it.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON (Punjab: Nominated Non-Official): What has your constituency to say about it?

THE HONOURABLE MR. HOSSAIN IMAM: First, let me tell you what my constituency is. My constituency, Sir, is wrongly thought by many persons to consist of only a few landed and aristocratic persons. I refute that charge. My constituency is the widest constituency of any legislature. We elected Members of the Council of State, although directly representing only a few, indirectly represent millions of persons. (Hear, hear.)

THE HONOURABLE MR. BIJAY KUMAR BASU: But if there is birth control the millions will disappear!

THE HONOURABLE MR. HOSSAIN IMAM: Millions may disappear but lakhs will still be left. *Perhaps very few people know that Members of the Council of State, although elected by communal electorates, nevertheless are indirect representatives of other communities too, inasmuch as one of the qualifications of the elector is the chairmanship or vice-chairmanship of*

a local body, men who reach that position come through a joint electorate, and therefore I can claim to represent even some Hindu interests, just as my friend Mr. Sapru can claim to represent a good few Muhammadans of the United Provinces. Now, my friend the Nawab Sahib said, "What does your constituency say?" I said in the beginning that I have no mandate from my constituency and I have brought this Motion because I think it is my duty to do so, just as it is the duty of every man with eyes to point out to a blind man his danger when he is moving towards a well. It is our duty to stop the blind masses from going on to their ruin. Therefore, Sir, I ask the House to endorse and the Government to accept the demand for birth control in India.

Sir, I move.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Mr. President, I regard my friend the Honourable mover as a very bold man to have had the courage to bring forward this Resolution for the consideration of the Council of State, when he knows—and we have had evidence of it here today—that there is a great divergence of opinion in the country on this question. My friend was twitted by several members on my left who treated the subject with a considerable amount of levity. I do hold, Sir, that the subject deserves very serious consideration, not only at the hands of Government but at the hands of Members of the Council of State, who in their turn are regarded as leaders in their different constituencies. In support of the Resolution I will not depend upon any *obiter dicta*. I will not tell you what I think or others like me think. I will quote the opinions of Government officials themselves and I trust that will satisfy those who are Doubting Thomases in regard to this proposition.

THE HONOURABLE MR. G. S. KHAPARDE: On a point of order, Sir. The Motion is about the steps to be taken, not the desirability or otherwise of this measure, and if the Honourable Member will kindly tell us the steps he proposes I should be very glad to hear them.

THE HONOURABLE THE PRESIDENT: You cannot take steps without considering their desirability.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, if my friend did not in his Resolution include the specific practical steps to be taken by Government, he certainly made them clear in the course of his remarks. This is indeed a very grave problem to which we must give considerable attention. We have in India today a population of 35½ crores of people. If I am not mistaken, according to the latest estimate of the population of China the population of India beats that of China. Therefore India is today the most populous country in the world. Let me give you some figures in regard to the increase in our population. In 1901, according to the Census returns of that year we had 29 crores and 43 lakhs. Ten years later there was an increase of 6½ per cent. and the figure rose to 31 crores 50 lakhs. In the next decade, however, there was a very slight increase of only about one per cent., the figure being 31 crores and 89 lakhs in 1921. But in the decade ending in 1931 the increase was as large as 10·5 per cent. and the total population of British India and the States amounted to 35 crores and 28 lakhs. (An Honourable Member: "A good sign!") A good sign? With what production we have and with the unemployment which you yourself referred to and complained of only the other day? This increase is of 10½ per cent., but what I want to point out is that the increase in the Indian States is not 10½ per cent. but

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less, and perhaps it may be worth while to inquire as to the reason why the increase in the Indian States is not as large as in British India. All eastern countries have a higher birth rate as compared to western countries. Some of the western countries deplore their lower birth rate and no country today deplores it more than France as we read in this very morning's papers. The strength of the peace army in France is 230,000. There is conscription there, as Honourable Members know. Those who are in the conscript class today may be called the "war babies" having been born during the war, and because the birth rate during the war was particularly low there are not enough men in the conscript class in France today to make up the total of 230,000 for the standing peace army. It is therefore that from October next France has decided to increase the period of conscription from 18 months to two years which, if they do not do, will mean that by 1940 the strength of the peace army will be reduced from 230,000 to 118,000.

THE HONOURABLE MR. G. S. KHAPARDE: This is very interesting, but not a step for controlling population!

THE HONOURABLE SIR PHIROZE SETHNA: If my Honourable friend has no patience, I refuse to answer his interruptions. I am leading up to my point.

Birth control is what my friend the mover has strongly advocated. You, Sir, enquired if birth control was the sentiment of the masses. May I answer that question by informing the House that the well known firm of book-sellers, Taraporewallas in Bombay, have produced several editions of a book on contraception, which sells for Re. 1 per copy. Every edition is bought up as soon as it is published. These books are bought like ripe cherries, and by whom? By the middle class and the lower middle class and it is through them that the idea of birth control or contraception will permeate to the masses, and it is the duty of the Government to see that it so permeates to the masses by means which they may well adopt after due consideration. I admit that the question is controversial, but the balance of considerations is certainly in favour of promoting birth control under proper Government supervision. I do not know if the Government in reply will say that this is a provincial subject, but I know that Government of India officers have not treated it as such. Let me refer to what Mr. Hutton, the Census Commissioner, has said on this subject. His views deserve careful attention both at the hands of Government and leaders of public opinion. This is what he says:

"It appears to be the general opinion of Indian economists who discuss the population problem of the country that the only practical method of limiting the population is by the introduction of artificial methods of birth control, though it is not easy to exaggerate the difficulties of introducing such methods in a country where the vast majority of the population regard the propagation of male offspring as a religious duty and the reproach of barrenness as a terrible punishment for crimes committed in a former incarnation. It is justly pointed out by the Census Superintendent of Mysore State that the practice of universal and of early marriage is a social custom and is not, in fact, followed from religious motives, but it is almost always religious arguments which are put forward in opposition to a change in social custom by any society anywhere, and though the religious sanction may be the result rather than the cause of the social custom, this fact only gives the sanction greater force. Nevertheless a definite movement towards artificial birth control appears to be taking place and is perhaps less hampered by misplaced prudery than in some countries which claim to be more civilised; thus not only is artificial control publicly advocated by a number of medical writers but Madras can boast a Neo-Malthusian League with two Maharajas, three High Court Judges and four or five men very prominent in public life as its sponsors".

My friend Sir Malik asked whether they practised birth control is so advanced a country as Japan.

THE HONOURABLE THE PRESIDENT: You have got two minutes more only.

THE HONOURABLE SIR PHIROZE SETHNA: With your permission, Sir, I would like to quote the Public Health Commissioner and Major-General Sir John Megaw. If you will allow me that latitude, I will go on otherwise I will have to stop. Japan is a very advanced country. It is said of Japan and the Japanese that they are ever ready to adopt what they see good in others, they adapt themselves to the same and subsequently become adepts, and I would like to assure my Honourable friend the Nawab Sahib that if Japan found that they did not produce enough for the increase in their population they will be the first to enforce birth control, and as I have said, they will become adepts in this matter as well as they have become in various others.

I have said that I have the authority of the Public Health Commissioner as also that of Major-General Sir John Megaw. In the last Report for 1932 the Public Health Commissioner says:

"For the health and welfare of the peoples of India are the most important problems with which the new Governments—federal and provincial—will be faced almost as soon as they are brought into being. By some that statement may be looked upon as an exaggeration; it is, on the contrary, a plain statement of fact made without any suggestion of personal or departmental aggrandisement. It is one moreover which is becoming more and more evident to those who have examined actual figures and who have the vision to realise their implications".

Sir John McCarrison speaks about the poor quality of food and says:

"My own concern has been mainly with nutrition; and my researches have led me to the conclusion that the diet of many millions of the Indian people is not such as can maintain physical efficiency and health. They are condemned, from their mother's wombs, to a subnormal or diseased existence as certainly as is the engine of the best motor car when not provided with efficient lubrication or when supplied with an improper fuel".

I will now quote the former Director General of the Indian Medical Service, Sir John Megaw. He says:

"How are additional and improved food supplies to be obtained? How is the general standard of living to be raised?"

That is a point which Government should see to that the standard of living is increased. He writes of the gloomy outlook for the future and says:

"Not only for the masses of the people who must face an intensified struggle for bare subsistence but also for the upper classes whose incomes depend on the production of a surplus of crops and other commodities".

He also recommends:

"The suggestion has been made that in order to review the situation before India reaches disaster, a commission of experts should be appointed to examine every aspect of economic life of India to make an accurate survey of the present position and a reliable forecast for the future".

That is the underlying meaning of the Resolution which my Honourable friend has moved and that is its significance. I have very great pleasure in supporting it. It is an admitted fact that fecundity in all countries is on a heavier scale amongst the lower than amongst the upper classes. Intellectual activity

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checks fertility. Therefore intellectual activity must be one of the means which Government ought to cultivate not only for the middle classes but also for the lower.

With these words, I very strongly support my friend's Resolution.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : Sir, I congratulate the Honourable mover of the Resolution for his courage in bringing it forward on a subject which is of considerable and vital importance but has not hitherto received adequate consideration at the hands of economists or political leaders. We are faced with hard facts. The main fact is that the population of India is increasing but the cultivable area for foodgrains is not diminishing is at any rate not keeping pace with it. The inevitable result must be that we should face circumstances and be prepared to meet them if the population goes on increasing at every decennial period and India may not produce sufficient food to feed them. Already on the floor of this House, on more than one occasion, I have dilated upon the various data of vital statistics and have quoted Sir John Megaw, Dr. Hutton, the Census Commissioner, and others, all of whom have expressed the same opinion, namely, that some measures, adequate measures, should be taken in the matter. There can be no two opinions about the desirability of necessary steps to reduce the birth rate. The question however, is, who should do it? We have no experience to fall back upon. The only experience that is available to us is that of America and England. America is, of course, far ahead and Great Britain followed suit. Great Britain had however enormous difficulties to contend against. Private and voluntary organisations, such as the National Birth Control Association and the International Information Bureau that were organised had to fight for several years and to knock at the doors of the Ministry of Health for permission to work. It was not till 1930 and again 1934, when Lord Horder, who is Physician Extra-Ordinary to His Majesty the King and Physician in Ordinary to the Prince of Wales, intervened, that that Government department yielded to their reasonable requests. An Order in Council was issued to the effect that wherever it was certified that pregnancy in women was destructive to health and likely to endanger life, that technical advice should be given at those local institutions that received a Government grant. The result has been that nearly 1,200 centres are in operation in England, where education and propaganda are conducted and appropriate means placed within the reach not only of the middle class but of the poor who can ill-afford the same and do not fully understand their utility.

Then, Sir, the words "birth control" does not taste well in the mouth of some people. It is anathema to them. They have religious or economic objections. But birth control does not connote complete abrogation of births. It means fewer births but better in quality. If one were to visit a children's hospital, one would find therein children with rickets, wizened, semi-starved and with all kinds of infirmities that human flesh is heir to. The result is that for every two children born, one dies before it attains the age of five. Is it not our duty to prevent such a holocaust of innocents brought into the world under grime and penury for the salvation of India and its population? The average number in a family in England was $4\frac{1}{2}$ in 1911 while at present it is $3\frac{3}{4}$. I do not claim that that has been brought about entirely by the methods advocated but they have had a great share in it. Infant mortality there is only 58.5 per 1,000 live births, whereas it is 120 to 180 and over in India. As regards maternal mortality, it is only four

per 1,000 births, whereas in India it is 24. Even this low rate is not considered altogether satisfactory. Strenuous efforts are being made to reduce it. Sir, conditions in India are quite different. The ground has not been prepared. The people are generally full of prejudice and ignorance; all that has to be overcome, and it could be done only through propaganda and education and not by Government agency, because their motives will be impugned. The opponents of Government would see a sinister purpose behind it. The work must be done by voluntary organisations in order to spread the propaganda and show what can be done. In England there is a movement for the education of doctors; in two of the colleges in London medical students are given a course of training in the subject. Sir, as this Honourable House is not a medical society, I have no desire to inflict upon it the application of methods in this connection as has been suggested to me by several friends. India has however produced one apostle of birth control in Mr. Gandhi who once advocated celibacy, not on economic or social grounds but to prohibit the bearing of slaves for the satanic Government! Unfortunately, however, his sons do not appear to have followed his precepts! What we want are centres all over the country, not only to give advice to women, but to the husbands as well, because unless they are made to realise the gravity of the subject, there is not much likelihood of improvement in the present situation. In Bombay, Sir, there exist several voluntary organisations like baby and health welfare, maternity welfare, child and infant welfare, together with a large number of maternity homes, public and private, who could undertake propaganda and education work. An attempt made some years ago for this purpose met with opposition. A film was prepared showing two families, one of a husband and wife with two children and another a husband and wife with 14 children. That film was censored and it was only through the intervention of the Governor of Bombay that it was eventually allowed to be exhibited. That film was instructive inasmuch as it showed the condition of a woman who bears children year after year, most of whom die within a short period of their birth and all the trouble and travail in rearing them is thus lost in addition to the unbearable strain the mother has to suffer. The Bombay Medical Union has taken a keen interest in the subject. It has considered the subject at more than one meeting. An association is being formed and a journal devoted to this cause has been published. It is the poorer classes to whom education and propaganda should appeal as they are the greatest sufferers through sheer ignorance. There can be no prejudice, and they are sensible enough to realise the benefits.

As a rule, Sir, when this question is brought up for discussion, it is treated as a joke, with levity and coupled with ignorant and irresponsible criticism and finally dropped! Only the other day, for instance, at a meeting of the Bombay Municipal Corporation, the proposal for establishing clinics came up for discussion. It was argued that as the poor classes had no money to go to theatres or cinemas and their only amusement was to play with their children, ergo why not let them beget children! It was to be their only amusement! The speaker failed to realise what a drain that was upon the scanty resources of the wage earner and the tax upon the woman. In this connection, one incident comes to my mind and that was when Queen Victoria gave birth to her first child, the King of the Belgians wrote her a letter congratulating her upon it and expressing the hope that she would be the mother of a large family. Her reply was:

"Men never think, at least seldom think, what a hard task it is for a woman to go through this very often".

[Khan Bahadur Dr. Sir Nasarvanji Choksy.]

And thus it is not only for the sake of reducing the population but for the sake of humanity, for the sake of the women, the mothers of our children, that we have to consider this important question. I believe, Sir, that it is not Government's business. It must be the work of voluntary organisations as they alone can inculcate such education among the masses. I would therefore ask my Honourable friend to divert his attention to these voluntary associations rather than to ask Government to take steps when, as I said, their motives would be impugned.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, I am surprised that a man of such a religious temperament, as my friend the Honourable Mr. Hossain Imam is, could bring forward such a Resolution, as is being discussed in the House. It is an open secret that Asia is the original abode of practically all religions and therefore we Asiatics and the orientals are more philosophically minded than the men of the rest of the world. I am not ignorant of the fact that the present age has brought in many new alluring theories such as that of birth control and of nudism in the west. We in India at least thought that such cultures as those of nudism and of birth control which are better suited for the sophisticated minds of the materialist west, will not have any reverberation in the east. The theory of birth control and its spread amongst the nations has had a ruinous effect on many of the nations of the west, especially just before the great European war. I admit that if multiplication goes on unchecked in the world, probably a day might come when there will not even be sufficient standing room on the face of the earth, not to speak of the avail-

ability of sufficient food and clothing for such an over population. But we must not at the same time forget that we are the creation of nature and it is for nature herself to provide outlets from this world. As it is we find nature has provided birth as well as death. My friend probably forgets that there is such a word as death against the word birth. He forgets that nature has provided volcanic eruptions, earthquakes, typhoons, cyclones, famines, plagues, black deaths, epidemics, wars and various other means, by which the surplus population of the world may be reduced, and is actually reduced.

THE HONOURABLE MR. HOSSAIN IMAM : Would you abolish them ?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : How can we ? It is not for my friend or others of his way of thinking to devise ways and means for birth control. In this connection I may remind my friend that if birth control is necessary for reducing world population then there would have been no necessity of devising means of death control by the advancement of the science of medicine and surgery. Science is striving every day to control death and increase the longevity of persons. If, on the one hand, birth is controlled and, on the other, death is also controlled, then, Sir, the world will be stagnant and monotonous, as we will all live without any new additions or reductions. Year in and year out we will see all these faces through eternity. I know in England and in several other western countries birth control clinics are being established but there the question is different. These clinics are being established in those countries in the west for a class of men who are proportionately more literate and educated than those in India. The men of the west can very well assimilate such theories for the betterment of society as a whole. On the contrary Indians are mostly conservative in

their temperament. The Indian masses are mostly orthodox in their beliefs and are mostly illiterate. It is no use propounding the theory of birth control amongst them which, if not properly assimilated, will bring in its train only evils and disasters without any corresponding good for the society. In this universe we forget as to how small our power is when compared with the power by which the whole universe is being controlled and guided. It is beyond human power to control the population of the world by controlling births and deaths. The great and famous economist Malthus pondered over this question long before this question of birth control was ever thought of by any man in this world. I think I need not dilate on the Malthusian theories of population. Sir, every Indian of whatever caste or creed will admit that there is sanctity within the bounds of every Indian home. If my friend desires that publications of the type I hold in my hand—

THE HONOURABLE MR. BIJAY KUMAR BASU : What is that book ?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : *Practical Birth Control* by Ettie A. Hornibrook. It contains several illustrations. (An Honourable Member : "Have you read it ?") I have read it through and through. If my friend desires that publications of this type are to be broadcasted in such a way that they may reach the hands of our wives, daughters and sisters, then I think there was no better method than to bring this Resolution before this House. I think every Indian will condemn the idea of this birth control by means of legislation or through the help of legislatures. If it was the intention of my friend to gain notoriety by bringing this Resolution before this House—

THE HONOURABLE MR. HOSSAIN IMAM : Never.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE—I think he has achieved his object and therefore he would be better advised to withdraw the Resolution with good grace.

THE HONOURABLE MR. HOSSAIN IMAM : Never, Sir.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Before I resume my seat I would request my friend always to remember that east is east and will always remain east, and it is beyond the power of my friend or any body of his way of thinking to convert east into west as the twin can never meet !

THE HONOURABLE MR. HOSSAIN IMAM : They will, Sir, and they have !

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I desire to congratulate my Honourable friend Mr. Hossain Imam on the courage which he has shown in tackling this great social problem. The Honourable Mr. Banerjee just now stated that Mr. Hossain Imam was a religious man and he wondered why a religious man like Mr. Hossain Imam has brought the question before the House. I am not a religious man. I have no hesitation in making that confession before the House. I do not know whether I have any faith in institutional religion. But in any case I do not understand what religion has got to do with a problem of this character. Religion, Sir, determines our attitude towards our Maker. It has nothing to do with social problems of this nature. My Honourable friend Mr. Banerjee indulged in some cheap sneers against western materialism,

[Mr. P. N. Saprú.]

I do not understand this word "materialism". I find, Sir, that the spirit of social service is much more highly developed in the west than in our country. We say that we are a very spiritual people. But what does our spirituality consist in? One should honestly go through a process of introspection in these matters. It is not necessary for us all the time to be talking in terms of spirituality when we are in fact really spiritual. The real difficulty with us is that our spirituality finds scope in abstract speculation, not in social service which is real spirituality.

Coming to the Resolution itself, I think few will deny that the population of this country is increasing at a tremendously rapid rate, and if this increase continues, what is going to happen? What are the facts which stare us in the face? Marriage in this country is practically universal. Only we condemn widows to perpetual celibacy, if I may so put it. That is one of the injustices of our society. There is no standard of living so far as the people are concerned. We marry early. Some of us believe in early marriage. I dare say my Honourable friend Mr. Banerjee who is a progressive also believes in early marriage. We have been able to conquer to some extent at any rate, disease. We have our Health Department, and if it goes on improving, the conquest of disease may at one time become an accomplished fact. Is it not necessary in these circumstances for us to tackle this problem with courage? Women's Organisations want this problem to be tackled with courage. Modern woman, even the Indian woman has revolted, and I know there are a great many women who are very much interested in this birth control problem. We all the time think in terms of masculine or man-made morality. We never think in terms of what child-bearing means for the women. (*An Honourable Member*: "You mean belonging to the upper ten?") Upper ten or lower ten. And also because the masses never enter our horizon. We may talk of the masses for political purposes when it suits us to do so, but really when it comes to putting those practices or those ideas into actual practice, we take refuge behind some religion or behind some sage who wrote 4,000 years ago something we do not understand or, if we understand it at all, do not care to understand in the right way. Now what is it that we can do? We can do something I think. We can take part in active propaganda in favour of birth control. I think the State ought to assist financially the societies and voluntary organisations which are doing propaganda for birth control. It is no use denouncing artificial methods of birth control. We do not want a neurotic society and I think it is necessary that we should be frank and straightforward in this matter of sex. I do not believe in delicacy in matters relating to sex, and there is no social danger, no harm, in our standing up and making a bold and straightforward stand for contraceptive methods of birth control. We ought to encourage societies and women's organisations engaged in this work. I know there are some women's organisations which are taking an interest in this matter, and one thing the State can do is to make a financial contribution to these organisations.

Then, Sir, you can use the cinema also for this purpose, or magic lanterns for the people in the rural areas. I think the ordinary villager in this country is a fairly intelligent and shrewd person, and you want to approach him and tell him that if he wants the future of the race to be better than it is today he must help in seeing that this problem of birth control is tackled in a right and serious manner. Of course you are up against the difficulty here that most of our villagers are illiterate and superstitious. But we have to fight illiteracy and superstition. I do not say that progress in this direction will be very rapid. I am prepared for slow progress. But I want a definite policy in regard to this matter, and I think, Sir, one of the ways in which the

State can come to our aid is by giving a grant to voluntary birth control organisations in centrally administered areas. There are these areas and you can find out whether there are any voluntary organisations which are doing work in this direction in those areas and assist them financially to the extent that you can.

Then there is another way in which the State can help us and that is by raising the standard of living of the people of this country. You can raise the standard of living by improving their economic efficiency, by developing in the people a desire for a higher and better standard of living. Sir, in the report of the Public Health Commissioner with the Government of India I find a suggestion that, in order to review the situation before India reaches disaster, a commission of experts should be appointed to examine every aspect of the economic life of India, to make an accurate study of the present position and a reliable forecast for the future. It goes on:

"This is no place to discuss in detail the measures which are required. These must necessarily include energetic steps for the prevention of disease and equally energetic measures for the education of the people in regard to mastery over environment".

Now these words "mastery over environment" I would like to emphasise, because my friend the Honourable Mr. Banerjee was pleased to refer to nature on more than one occasion. Sir, modern science has been trying to conquer nature; we have been trying to battle against nature, and if we were to accept all that he says as correct, then we should really do nothing. The philosophy for which my Honourable friend Mr. Banerjee stands is a fatalistic philosophy, is the philosophy of what we Hindus wrongly call *karma*. And when we call it *karma* we do not really understand *karma* because I believe, rightly understood, *karma* means something very different from what we have been led to believe it means. Therefore, Sir, we ought really to tackle this problem as brave men in a brave manner, in a manner which befits men who want to build up a greater India and a greater Asia. My Honourable friend Mr. Banerjee referred to Asia as the home of religions, and he seemed to think that Asiatics in this matter have a very different outlook to the western peoples. Well, I do not understand these differences between Asia and Europe, but I will say this, that we need in this matter to take a lesson from the west. In the west they are trying to grapple with these social problems. If the birth rate were to go up in England at an alarmingly rapid rate, people would begin to wonder what the matter was and to inquire what would happen to the country 10 or 15 or 20 years later. But we do not seem to think in those terms at all. We accept these things as being beyond our control. That is the mentality which we must battle against. We must fight this mentality, and I would suggest that, though there is not much that the State can do and though I recognise that the principal effort in this direction must be made by us, there is something that the State can do and I would say that the State should do that something which it can and do it immediately, namely, give some grant, as I have said, to these voluntary societies which are trying to grapple with this problem in right earnest. The State should declare itself on the side of the reformers in this matter. These are the observations, Sir, that I have to make in support of the Resolution of my friend, the Honourable Mr. Hossain Imam.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): Sir, when I read the Resolution as tabled by my friend Mr. Hossain Imam I thought it was not a serious one, but from the speech of the Honourable mover and from those of his ardent supporters I gather that it is meant to be a very serious proposition. First of all, Sir, the Motion as it

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is moved is to ask the Governor General in Council to take practical steps to check the population. From the speech of the mover and his supporters I have not been able to find what they have to say about the practical steps to be taken to check the population.

THE HONOURABLE SIR DAVID DEVADOSS : They have left them to the Government.

THE HONOURABLE MR. BIJAY KUMAR BASU : The Honourable mover mentioned the words "birth control" and left the means to the Government. The Honourable Mr. Sapru just went a step further and said that the Government should pay some money to some voluntary organisation and let them propagate the theory of birth control. As was pointed out,—I think it was by the Honourable mover,—birth control and the methods of birth control could be taken advantage of by people living in the towns, by people who have the education, who have the culture to think about it and who know the proper use of such contraceptives. It is needless for me to remind the House that there is only about 7 per cent. of literate people in our poor country and the 93 per cent. are illiterate people whom we generally call "the dumb millions," whom we generally call "the masses", when we have the opportunity of talking about them in these well furnished and well decorated legislative Houses. Those people as you know, Sir,—and I think the Honourable mover and his supporters also know,—have not the means to have two square meals a day, not to talk of their ability of buying contraceptives to have birth control. It is possible, as I said, for the upper ten of our society to practise those methods and probably have birth control, but it is not so with out 93 per cent. of our illiterate dumb millions—a very pet phrase of the legislators. But simply making a grant to some particular voluntary association—and I think if I remember rightly Mr. Sapru referred to voluntary associations of women—just to carry this idea to the remote villagers is a thing which I for myself think to be absolutely impracticable. I have known ladies' organisations in my part of the country. I have never known them to carry propaganda to the outlying villages, to these dumb millions with whom we are very much concerned. Then there are other points to be looked into. For example, the laws under which we are governed. I am a Hindu. I can marry any number of wives I like, so long as I can feed them. My friend Mr. Hossain Imam is a Mussalman. His law would allow him to have four wives.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : It is unlimited in your case. You can marry a hundred wives.

THE HONOURABLE MR. BIJAY KUMAR BASU : Quite so ; that is what I said. If my friend will not listen to me, I will not take any notice of his interruptions. These are the laws. You want to restrict birth, but you do not want to restrict your marriages.

THE HONOURABLE MR. HOSSAIN IMAM : Is there not a law of polyandry?

THE HONOURABLE MR. BIJAY KUMAR BASU : I have not known a law of polyandry so far as Hindus are concerned. There may be polyandrous tribes living in the Himalayas whom my friend may know, but not I. I have heard about polygamy amongst Hindus and Muhammadans and that is a matter that I was referring to. Therefore the proper step to have taken

about checking the population would have been for my friend to move amendments of the Hindu and Muhammadan law, and to begin with his move about birth control is something like putting the cart before the horse! It is quite all right, Sir, in a country where there is no caste or communal distinction, where monogamy is the rule, where if anybody marries two wives, he is brought before a magistrate for bigamy and punished. So far as we are concerned, we have no such law and therefore the proper thing for my friend to have done was to have moved for amendments of the Hindu and Muhammadan laws to begin with.

THE HONOURABLE MR. HOSSAIN IMAM : Would you support it?

THE HONOURABLE MR. BIJAY KUMAR BASU : I may or I may not! I may not be supporting you in this matter either! That is neither here nor there. The proper way of dealing with this in a country like India is to bring about some sort of reformation in the Hindu and Muhammadan laws of marriage. There is another argument which I think as a Bengali I should put forward. Take the case of Bengal. I am told by Mr. Hossain Imam that the pressure of population is the highest in Bengal. The higher population is of Muhammadans ; we the Hindus are in a minority there. So far as birth control is concerned, I will advise my Bengali Muhammadan friends to practise it! So far as Hindus are concerned I will tell them, "Go along, propagate ; you must have a majority ; you better have a majority, if not for anything else but to have a political predominance over the Muhammadans!" There are lots of questions to be considered. You cannot possibly straight off lay down the proposition that birth control is the panacea for all evils. It is not. I am sorry, Sir, that of all people Mr. Hossain Imam, whom I always gave credit for much better—I do not say sense but—intelligence has disappointed me by bringing forward this proposition. I say, Sir, I am pained. I am not surprised.

THE HONOURABLE MR. HOSSAIN IMAM : Have you any constructive suggestions?

THE HONOURABLE MR. BIJAY KUMAR BASU : I have none, neither have I found the Honourable Member making any constructive suggestion. The only constructive proposition that Mr. Hossain Imam has put forward, viz., travelling clinics is a proposition which if scrutinised even for a minute will not hold water. The only suggestion that has been a constructive suggestion, that has been put forward in this matter, is by my friend Mr. Sapru about the financial grant to be made, and that also he has restricted—and I am glad that he has done so—to the centrally administered areas, because those organisations may act under the very eye of the Government of India. That of course is a proposition which has got the merit of a constructive proposition. There is no other suggestion before the House today which I have heard that has the merit of a constructive suggestion. Then I was told—I think it was my friend Sir Phiroze Sethna who said that—that in Madras an organisation has been set on foot by two Maharajas, several High Court Judges and I think a good many business magnates or advocates with a very large amount of money for birth control. Now, Sir that organisation, I am sure if one comes to examine it, reaches only Madras city proper ; it cannot possibly go into the remotest villages, where more than elsewhere we want this sort of propaganda to reach. I do not for one moment say that birth control is not desirable. It is desirable. But I only ask you what practical steps you

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want the Government to take? Government cannot do anything effective; at least, I cannot see what the Government can do as practical steps for birth control, in a practical manner. One thing has occurred to me, that the Government can do—and perhaps it is that which is at the back of my Honourable friend's mind—that is that they may possibly reduce the import duty on contraceptives and rubber goods. If that is what he wants, that is a practical scheme and a constructive suggestion. In my opinion, Sir, I really do not understand how Government comes into the matter at all. It is a social matter. It is a matter in which the leaders of communities who have the ear of the public, who have the chance of going into the remote villages to propagate these various principles may do something, at least may do something which the Government cannot possibly do. As Sir Nasarwanji Choksy has pointed out, if the Government wants to do anything in the matter as suggested there will not be wanting people who will come and say: "These people are doing something for an ulterior motive of theirs to restrict man power, a motive which may or may not exist. Therefore, Sir, if Mr. Hossain Imam's idea was to have the Resolution discussed, I think it has sufficiently been discussed and will be discussed further by other speakers, the object has been achieved, but seeing that it is not possible for Government to take any practical step, or impracticable steps, and as I am not convinced either by his arguments or by those of his supporters, that anything could be done, I think, Sir, he would be well advised not to press this Resolution.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official) : Sir, whatever the opinions of individual Members of the Council may be on the Honourable Member's Motion, I think all will agree that he has rendered a very useful service by bringing forward this Motion before the forum of this Council and thereby bringing it before the public. The fundamental assumption in his proposition is that it is necessary to check the growth of population and he has made it perfectly clear that the check which he has in mind is artificial control. This assumption is so important that it deserves to be examined somewhat closely, and it will perhaps facilitate our viewing the question in its proper perspective if we remember one or two lessons from history. I believe it is no exaggeration to say that in the realm of economics there is no subject in regard to which there has been a more complete change of opinion among economists than in regard to population. One of the economic scares of the 19th Century was that the world would soon become over populated and that the people would die of starvation because production could not keep pace with the increase in population. What is the position today? The total population of the world is estimated at 2,000 millions, and it is now not a question of over population but of over production. With the improved methods of cultivation and of industry which science has placed within the reach of man, it is now possible to assert with certainty that there need be no longer any fear that the growth of population will outstrip the growth of production. The problem today is one of over production as the world slump has clearly demonstrated, and in most countries in Europe the feeling is one of alarm at the declining birth rate

It is apprehended that in a few years' time the population of these countries will come to a standstill. If this has been the result of historical development I think we may well pause before we decide to apply drastic remedies to the malady as it presents itself in India.

What is the position in India? It is generally asserted that India is over populated, and that if the population goes on increasing at its present rate, we shall soon reach a state of affairs from which there will be no escape except perhaps by death or by starvation. In recent discussions on the subject, this viewpoint has been considerably reinforced by the argument based upon the rate of increase which has been disclosed by the recent census. That rate as we all know, during the decade covered by the last census, was more than 10 per cent; that is to say, roughly about 100 per cent. in a century, or roughly again, a little less than one per cent. in a year. On this basis the calculation has been made of the future population of this country. The population in 1941 has been estimated at 400 millions and in the year 2,000 at 700 millions, and imagination is left to picture the appalling state of the country which these stupendous figures will produce. I venture to suggest that these figures are open to very grave doubt. It is quite clear that this rate of increase did not prevail during the last 50 years for which we have census figures, and it is quite easy to convince ourselves that it could not have prevailed during the long historic past. A simple calculation will show that at the rate of increase postulated, we shall have to conclude that the population of India in the year 326 B. C.—I take that year because during a discussion the other day, an Honourable Member referred to the invasion of Alexander the Great; we may take that as an early authentic date in history—consisted of between 50 and 60 people. That is surely an absurd result. It is quite obvious that such a rate of increase cannot be assumed for any great length of time. The fact really is that from our limited knowledge of the growth and decline of populations, whether the movement takes place in cycles or not, we cannot say with certainty how long the present rate of increase will continue, when it will reach its maximum and when it will decline bringing the population to its equilibrium. Therefore I think there is no reason at all why we should allow ourselves to become a prey to pessimism, even in the face of the most imposing figures.

Now, with regard to the question of food, I think all will agree that the recent slump in prices and the difficulty of finding a market for agricultural products are a sufficient indication that there is really no shortage of food in India. It has been calculated—a reference to this statement will be found in the Census Report—that in Bengal, which is one of the most densely populated areas in the world, with improved methods of agriculture, with all improvements which science places at our disposal, it will be possible to produce food sufficient to maintain double the present population at its present standard of living.

THE HONOURABLE MR. HOSSAIN IMAM : How will that affect the purchasing power of the people?

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON : I cannot answer that. I am only stating that a calculation has been made and a reference to it will be found in the Census Report. I readily admit that food is not the only consideration when we are dealing with the question of population. There are the important problems of health, work, leisure and culture, in fact all those elements on which the social and economic progress of man is based, and it is quite clear that the solution of these problems

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is very considerably jeopardised by the problem of numbers. Therefore any check on the present rate of increase, if not an actual diminution in the existing number of the population, is to be welcomed.

The question is, what are the best ways of securing a reduction in the rate? It is quite clear that we cannot reduce the rate of increase except by reducing the birth rate. In this matter we can usefully take the experience of other countries into consideration. It is now fairly well accepted that the progress of education will almost automatically bring about a reduction in the birth rate. We can easily understand one way in which this result will be produced. An educated man, and particularly an educated woman, will certainly postpone the age of marriage, and postponement of the age of marriage is one of the primary factors which will lead to a reduction in the birth rate. Now in India we are just on the threshold of this great movement of education—and I really wish that the Government would take a little more interest and spend a little more money in the furtherance of it—and I have no doubt that as education progresses, particularly female education, we shall have in operation a very important factor in bringing about a reduction in the birth rate. Another factor is industrialisation. It is well known that this acts as a potent factor in the reduction of the birth rate. Another factor is urbanisation. We have therefore in this country now in operation several processes which have in other countries brought about a reduced birth rate and we may expect the same result in India. In view of these considerations, whether it is necessary for us to adopt any artificial system of birth control is a matter which should be considered on its own merits.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): I have listened with great interest to this debate. We have heard varied opinions expressed, and of the speakers three or four have spoken for the Motion and three or four against it. When I first saw this Resolution I rather asked myself why I should be called upon to speak on it as the representative of the Home Department. It seemed to me that it might more suitably be done by, for instance, the Secretary for Industries and Labour, who dealt with the kindred problem of unemployment the other day. The two problems are very much inter-connected. It might equally suitably have been dealt with by my friend the Director General of the Indian Medical Service sitting on my left. He no doubt will intervene in this debate if the need arises. Still more suitably it might have been dealt with by the Honourable Leader of the House if he were with us today. He is responsible for health and it is largely due to the activities and the efficiency of the Public Health Departments of India that the population has increased in recent years. He is also responsible for lands, for agriculture. He might have quoted figures, which I shall quote later, to show that there is no chance of the country becoming starved owing to the increase of population if methods of agriculture are improved and there is an extension of cultivation. He might even have dealt with another subject of which he is in charge, the question of emigration. It might have been suggested,—though we have not heard that proposal today—I think it was discussed some time ago in this Council,—that emigration to some foreign country should be encouraged. No, Sir, I have been left to deal with it, and I had at one time a lurking suspicion in my mind that the Home Department, being rather an unpopular department in certain quarters as being responsible for repressive policy, repressive legislation and repressive action, was going to be asked to produce more repressive, or, as I should prefer to call it, preventive legislation! However, I have not been asked to do that.

The Honourable mover of the Resolution has been very mild and has definitely repudiated any idea of legislation. His proposal,—and I must say that I agree with Mr. Basu that it is a somewhat vague and uncertain proposal,—comes down to this, that we should do a certain amount of publicity and propaganda work over the question of birth control.

Well, Sir, perhaps I may seem to be treating this matter with some levity to begin with, but I assure you I recognise fully the importance of this problem. I am not attempting to be an expert on it, but I have read a great deal in these two volumes of the Census of 1921 and 1931, which contain very interesting opinions on this very difficult problem. We have had the figures showing an increase in population quoted to us by Sir Phiroze Sethna. Those are quite correct figures, but to a certain extent they are a trifle misleading, especially the earlier figures, because in the early days of the Census, between 1872 and 1891, the increase was largely due to an increase in the area and to improved methods of enumeration. It was not due to a real increase. However I recognise that between 1901 and 1911 there was an increase of 6.4 per cent. That fell in the next decade, 1911 to 1921, the decade of the war and the influenza epidemic, to 1.2. It rose again in 1921—1931 by 10.6, as has been quoted before.

I would like to quote to this Council a remark made by the Census Commissioner in the year 1921. This is relevant to the calculation which our Honourable Member, Sir Ramunni Menon quoted. I think it was about increase in population and the remark that India would after some decades be in a condition in which there would be barely standing space in any part of India. He says:

“My predecessor pointed out in 1911 that the rate of increase of population between 1872 and 1921 was equivalent to about 19 per cent., and that at this rate the population would double itself in about a century and a half. We have seen that the real increase in the last fifty years in the population of India is just over 20 per cent. At this rate the doubling will take another 190 years. But calculations of this kind, though of interest, can hardly be taken seriously. Almost every one of the last five decades has witnessed some special disaster. A severe famine in South India checked the increase in the decade 1872—1881. The decennium 1891—1901 was dominated by the great famines of the closing period. Growth in Northern and Western India was checked in the succeeding decade by plague and we have had in the past decennium an epidemic which has caused more concentrated mortality than any previous calamity”.

It may be said of course that we are not likely to have again famines which will increase the mortality to the same extent as in the earlier years to which I have referred, 1872 and 1900; but, Sir, what guarantee is there that we shall not have or may not have any epidemic like the influenza epidemic of 1918, which was calculated to cause mortality of no less than 12 to 14 million persons and which, apart from that, also reduced to a very large extent the birth rate, which was particularly the reason why between the years 1911 and 1921 there was only a small increase of about 3½ million people. I would like to ask General Sprawson to give me a guarantee—I think he would be very rash if he did so—that medical science has so improved that there cannot be another plague of that kind to reduce the population to a very large extent. I have heard it said—a medical officer will speak with much more authority than I can—that bubonic plague goes in cycles; that cycle may recur and that will mean that it will produce a heavy death rate, though not such a heavy death rate as in the days when plague first came to India when prophylactic methods were not so well known as now. It is also a fact that certain diseases prevalent in Africa, if they came across to this country, would spread very rapidly and might decimate the population. We must also not leave out of account other calamities that may occur. Take, for example,

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the earthquake in Bihar about this time last year. Supposing that earthquake had taken place at 2-30 A.M. instead of at 2-30 P.M. I can well imagine that instead of 20,000 people being killed we might have had two or three millions killed; it might have made a very considerable reduction in the population of that very densely populated area. Even though famine is not probable in these days, yet failure of the monsoon would undoubtedly reduce the vitality of the people and that again in itself would, I understand, have the effect of reducing the birth rate and so of diminishing the population. These are the ways by which nature asserts herself and I do not think we can say that she will cease to assert herself in this way with any degree of certainty.

Now, Sir, I consider that we have got rather pessimistic ideas about over population, because of the very large increase in the years 1921—1931. The Census Report of 1931 was published just at the time of the economic depression and I think that has made people take an unduly pessimistic view of the increase which had occurred during that decade. During that period I remember I was in the district from which the Honourable mover of the Resolution comes and in that district landholders frequently came to me and said they had great difficulty in getting enough coolies to work on their lands. Those were the days of high prices and there was plenty of employment in the coal mines and elsewhere and people had great difficulty to find enough labour for the cultivation of their fields. At the same time there was another district with which I was acquainted and from which a large number of coolies are recruited for the tea gardens of Assam. The tea gardens were forced to pay enormous sums of money even to get a single cooly. Very often it cost them very nearly Rs. 200 to get a cooly from Chota Nagpur to Assam. There was full demand for labour and the supply was not equal to the demand. I quite admit there is, so to speak, over population of certain castes or certain classes of the population. That is an entirely different problem. That is much more the problem with which my Honourable friend Mr. Mitchell was dealing the other day, the problem of unemployment. There is no doubt over population of the middle classes, but whether we can say that India as a whole is over populated is a matter—though I have no expert knowledge as an economist—which is open to doubt. The very expression “over population” is a very vague one. It is one of those expressions which are trotted out from time to time and people do not stop to analyse exactly what is meant by it and it sounds very serious. I should like to read what the Census Commissioner said on that point. It is difficult to define and one has got to be careful to say exactly what one means. What he said was :

“The conception of over population is however itself full of complexities. It expresses an economic relation between the population of a certain area and the means of production in that area which is meaningless without a clear definition of each related element and of the area considered. Population is merely man considered in a quantitative sense, and man may include anything from a naked aboriginal to an industrial plutocrat. Again means of production may range from the gathering of edible fruits in the jungle to the digging up of nuggets out of a gold mine, while the area populated and exploited may be a village, a district, a province or the whole country. If we try to express the idea of pressure of population more precisely we are still faced with difficulties”.

I quote that to show that that is a term which is used freely, but it is rather difficult to say definitely that a country is over populated. It may appear at first sight that certain parts of the country are over populated. The Honourable Sir Ramunni Menon has clearly read the Census Report from which this is a quotation and referred to the investigation which they made at that time in Bengal. The population of Bengal in some areas was 800 or 1,000 to the

square mile, and no doubt it appeared to be over populated, but the calculations then made showed that it would be quite possible to maintain an even greater population in some parts of Bengal. I need not go into that in any great detail. I have seen another comment which was made by another census officer, who though he referred to Burma, put forward very much the same considerations. But I would make another point; even assuming that India taken as a whole, not merely any individual tract or area, is over populated, is this a menace to the well being of the country? I do not claim to put forward my own opinions, but I was very much impressed by a remark made by the Census Commissioner in 1921. What he said was this :

“In the various forms in which it (over population as defined by him) occurs the situation as here described, viz., the overtaking of the existing material resources by the expansion of population, provides the chief stimulus to progress. It forces the population to enhance the food resources by increasing the productivity of the tract and to overcome the limitations of area by improving the facilities of communication. The enterprise involved, reacting on the mental and moral equipment of the people, widens the scope of their lives and, by raising their standards, creates a new economic stress and thus establishes a continuity of progress by a succession of reactions. In the historical life of a nation or a people the moral benefits of over population in this sense are probably worth the temporary difficulties and sacrifices which result from the inevitable delays and imperfections in the adjustment of resources to growth”.

That, I think, is a very significant observation and I have no doubt that is a view also held by other economists. We are, as I have said, going through a period of economic distress and difficulty. That makes this problem of over population look the more serious. But a brighter time is ahead of us and five or ten years hence we may have our employers of labour and big landholders crying out for labour. This is an obvious possibility.

Now, Sir, the Honourable Sir Phiroze Sethna has quoted in support of this Motion the views of certain Government officers. I admit those views have got to be treated with respect. He quoted Mr. Hutton, the Census Commissioner, and he read out a paragraph which I had intended to read out but, as he has already anticipated me, I will not read it. In that paragraph he appears to be in favour of the introduction of artificial methods of birth control but he recognises the difficulties of introducing such methods into this country. But, Sir, if the Honourable Member will turn over the page, he will find that Mr. Hutton also puts forward a somewhat contrary view. It is no doubt a view with which he does not sympathise very much himself, but it is the opposite view and I think it is worth quoting :

“There are perhaps other methods of checking an excessive increase in population. It has been clearly demonstrated in Europe that a rise of the standard in living is normally accompanied by a fall in the birth rate, and the same principle no doubt operates in this country; but, even while we must admit the truth of Bacon's aphorism that ‘Repletion is an Enemy to Generation’, a mere superfluity of food supply is not enough, as it only enables the possessor to breed up to the subsistence level again. In order that a higher standard of living may affect the rate of reproduction it is apparent that not only is an increase in education and culture involved, since it seems definitely established that intellectual activity acts as a check upon fertility, but also the psychological appreciation of a higher probability of survival”.

That is one opinion. Then there is another very interesting article in this volume by the Census Officer of Bengal,—Bengal being, as I say, a province where this problem of over population appears to be and probably is far more acute than elsewhere. He deals with the subject from the point of view of an expert economist and quotes Malthus, Doubleday and Raymond Pearl's

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logistic curve. I do not intend to follow him into all these economic discussions but I would like to read what he does say about Bengal :

"The prospect or even the possibility of so considerable an increase in a population already one of the densest in the world may lead to apprehension that the population of Bengal is rapidly approaching numbers which cannot be sustained at any reasonable standard of living upon the means of subsistence which Bengal can produce for long".

"What is suggested here (he goes on) is that these potentialities are such that pessimism as to the future condition of its population if considerable increase takes place is not necessarily justified. Like the rest of India, Bengal is notable for its undeveloped resources and the inefficiency with which such resources as it has are exploited. The soil is probably unlikely to deteriorate further and the general opinion about areas such as Bengal, where scanty manuring necessitates small crops, is that a dead level of yield was reached long ago and is conditioned by the rate at which plant food constituents are made available by weathering".

and so on. He points out that there could be a very large increase of production. Well, Sir, there are these very contrary views of economists themselves who know far more about the question than I do. That shows that at least artificial methods of birth control is not a universally accepted remedy for this evil, if indeed over population is an evil, and that again is a matter of doubt. That being so, as the matter is a matter of some doubt, why should Government step into the picture? On that point I entirely agree with the remarks that have been made by the Honourable Sir Nasarvanji Choksy that any action should be taken by voluntary agencies and with the Honourable Mr. Basu that nothing practical has been suggested for the Government to do. Further, as Sir Nasarvanji Choksy observed, Government's action is always apt to be viewed with suspicion and we may be accused, if we take up vigorous propaganda in this matter, of attempting to reduce India to a third-rate nation. (An Honourable Member : "Is it a first-rate nation now?") Yes, Sir, in my opinion it is a first-class nation. That is the difficulty of the problem. It is inter-connected, as has been observed by some Members, with the marriage laws of the various communities out here. It is inter-connected with social customs. And with an irresponsible Government such as the Governor General in Council is at present, it is very difficult and dangerous for them to step in and take an active part in measures of this kind. I entirely agree with Sir Nasarvanji Choksy that it is a matter for voluntary effort. We have heard the quotation that Sir Phiroze Sethna read from the Census Report of 1931 about the Neo-Malthusian League in Madras, consisting of two Maharajas, three High Court Judges and four or five men very prominent in public life. By all means, let all those who believe in this as being a real cure for over population get together and spread their ideas broadcast. If the Honourable mover of this Resolution wishes to do anything, why does he not set up a birth control clinic in the city of Gaya from which he comes? I do not know what reception he would get there but I am inclined to think that, Gaya being a very orthodox place, it might be a very bad one.

THE HONOURABLE MR. HOSSAIN IMAM : Would the Government give any financial support?

THE HONOURABLE MR. M. G. HALLETT : We would give you police protection if you were attacked! Now, Sir, as I say, in a matter of this kind, where the experts differ as to what measures should be taken, surely it is right for Government, especially Government as at present constituted, an

irresponsible Government which is always liable to be attacked and misrepresented, to hold its hand and let the volunteers go ahead. Why cannot this be taken up by the National Congress? If it is really for the good of the country, they have an organisation which they could use for this purpose. I believe, however, that Mr. Gandhi himself is not convinced of the desirability of a measure of this kind, though I have seen from reports in the papers that many advocates of the measure from Europe and America have been trying to convert him.

A reference was made to a suggestion put forward by Major-General Sprawson's predecessor, General Megaw. I have not seen that report myself but judging from the extract which was read out by Sir Phiroze Sethna he did not recommend any definite step—certainly no such definite step as has been proposed or suggested today, that Government should give small grants to birth control organisations or should do something to help them to put forward their ideas. I understand that he did suggest that there should be a committee of experts appointed to examine the whole problem, the general problem of public health, and to find out after careful examination of all the statistics and data what exactly was best to be done. That problem, I have no doubt, is still being dealt with by his successor and by all other officers of his department and will continue to be dealt with by them. That work Government are certainly prepared to undertake, but further than that I do not think they can go. They cannot undertake to take such practical steps as have been suggested in the course of this debate. They must leave that to voluntary workers for if they undertake that work, they will be accused of interfering unduly with the liberties of the subject, and with the social and religious customs of the people. Further, even though we might take courage in our hands if we were really convinced of the solution to the problem, yet, as I have tried to show in dealing with this problem—very superficially no doubt, but still I have tried to do my best—it is doubtful whether this is in any case the real solution. It may be solved by other methods less drastic and less repugnant to a good many of the people of this country.

For these reasons, Sir, I oppose this Motion.

THE HONOURABLE MAJOR-GENERAL C. A. SPRAWSON (Government of India : Nominated Official) : Sir, I had not intended to speak in this debate, and there is but little more to be said on the subject. But as I have been personally appealed to by more than one speaker, I feel that I should represent what I consider to be the scientific aspect. The Honourable mover asks for steps to check the increase of population. How do we know that the population is too much? It may appear so because many of the population have apparently not sufficient to eat. But how do we know that India has reached the limit of what she can produce in the way of food? It appears likely that India could produce much more and better food than she has already done. In other words, I think we have been asked to take action without sufficient information and without sufficiently reliable data on which to work. Reference has been made both by the Honourable Sir Phiroze Sethna and again by the Honourable the Home Secretary to what Sir John Megaw said in his investigation of village life. Sir John Megaw said, and any Census Report will confirm, that there has been a very rapid increase of population and that it is rapidly increasing still more. He also apprehended that the state of nutrition of a large number of the population was poor and he looked with some anxiety to the future. Sir Phiroze Sethna quoted quite correctly Sir John Megaw's final recommendation that there should be a commission

[Major-General C. A. Sprawson.]

of experts to make a survey of the present position. But I do not think we can say that Sir John Megaw for one moment implied that there should be any birth control. I cannot read that into anything he has written, except that there should be a committee of experts to make a survey of the present position. That would be a most welcome event to the Medical and Public Health Departments, and if that be carried out, we shall have nothing to do but to welcome that investigation. That would give us some facts on which we might act. Supposing this Commission did find out that the population was too much, it does not follow that the exercise of the methods in the minds of most Members would be the most suitable for the occasion. It might even be, as has already been suggested by the Honourable Sir Ramunni Menon, that the position would tend to cure itself. I think it was Sir Ramunni Menon who said that other nations in Europe and elsewhere did pass through a phase where they appeared to be over populated, that they raised their standard of living and their birth rate has fallen down, until now they apprehend that they will have a diminution of population or a stationary population. In fact, it is a well known public health axiom—I might say—that if you have a high death rate, the birth rate will be high, and if you have a low death rate, you will have a low birth rate. Since these European nations have raised their standard of life in the last 80 years, have produced a better state of nutrition for the people and better state of manhood and womanhood, have put an end to epidemic diseases and produced a lower death rate, they have also produced a lower birth rate. You might reply that the lowering of the birth rate was due to active mental processes from that intelligent animal, man. But such appears not to be the case, because, if you experiment with the lower animals, you get a similar state of things. Experiments have been made with a large population of mice on these lines. When these mice populations have been well fed and well protected from epidemic disease, they have flourished and waxed fat and their death rate is low and similarly, their birth rate also is low. That may appear strange, but that has evidently occurred without any active mental process on the part of the mouse. Similarly, we might expect the same sort of thing to occur in a large human population under similar conditions. That, Sir, is all that I have to say on the scientific aspect of this question.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, I am thankful to those of my orthodox friends who have thought discretion to be the better part of valour and have not come out to give us their conscientious and religious objects on this proposition. The only opposition which I received in this House was from my Honourable friend Mr. Banerjee, Mr. Basu though favourable to the idea of birth control, did not think that Government was the suitable agency to carry it out. Similarly, Sir Ramunni Menon also thought that although the question was of great importance, it was not probably fit for Government to take up. The attitude of the Home Secretary was also of a like nature. He was an agnostic. He said that birth control might or might not be necessary, but probably the balance may be otherwise; and that the differences in the communities would not allow him to interfere in this matter. May I say a few words in reply to all these criticisms.

Our colleague Sir Phiroze Sethna dealt in a very pertinent manner with the necessity for taking steps to check an abnormal increase, and he rightly said that it is not a subject which should be treated with levity. He also stressed on a very fundamental thing, that the standard of living cannot be increased if this increase in population goes on. That is the cardinal principle

which must be understood by all. If we have an inexhaustible supply of cheap labour it is impossible to increase the standard of living. It seemed to me, Sir, that most of my Honourable colleagues who had any doubt about this matter were obsessed by the Malthusian theory. That seemed to be the bee in the bonnet of all of them. Now the theory of the population outstripping production has been refuted, but *the new problem that is before us is whether production can give purchasing power to the masses or not?* That is the new aspect of the question on which I expected to find some light thrown by the House and by the Government benches, but I did not get it. We know that at the present moment this depression is not due to failure of supply but to glut of supply and failure of purchasing power. This is the problem of the day and on this no light was thrown by any of my opponents. Even though we are producing foodstuffs in plenty, sufficient even to export, is it not a fact that Indians themselves have not the money to purchase the products which lie so near home to them. Is the Indian population at the present moment being fed as it ought to feed itself? Do they have a square meal twice a day even? *The production is there, the people are there, and it is only the lack of purchasing power which is standing in the way.* Therefore, Sir, all the arguments brought forward as to production increasing simultaneously with the population are beside the point. That is not the problem. My main contention was that there is no purchasing power. We cannot, in spite of mechanisation and scientific improvements in industrial and agricultural methods, inject purchasing power into the people. An Honourable colleague of mine suggested making scientific improvements in industries and agriculture. Recourse to such methods in other countries, in Canada for instance, had resulted in less and less employment for the people. Mechanisation of industry and agriculture in fact created unemployment.

Now, Sir, I come to the very "constructive" suggestion of my Honourable colleague Mr. Banerjee that the best cure for the increasing population is recurrent epidemics—and he was quoted by the Honourable Home Secretary—that we must wait for epidemics, diseases, and natural calamities to come and help us to decrease the population. (*An Honourable Member*: "Leave nature alone".) Leave nature alone, if we follow that advice to its logical conclusion, the British might as well leave India and let nature have its way. Are they prepared to do that? When Mr. Gandhi sought to abolish all hospitals as Satanic institutions did the Government act upon the suggestion? No, but now they are taking shelter behind the fact that Gandhiji is not in favour of mechanical contraceptives. He advocated abstention. A much better way, an ideal way, a method which is a real cure, but unfortunately our human infirmities do not allow us to follow it. No one can deny that that is the best and surest cure. Gandhiji went to the root of the matter. He suggested an ideal method, but the ideal is difficult of attainment in the case of ordinary frail human beings. It is because of human weakness we have these other mechanical methods.

My Honourable friend Mr. Sapru gave a very good constructive suggestion that cinemas should be utilised for the purpose of propaganda. Perhaps a few of my friends have seen the pictures and cinema shows which the Soft Coke Cess Society of Bengal are giving. It is a new method and a very good method of publicity. The Department of Health may take it up and thereby give a lead to the provincial departments in regard to propaganda on these lines. Government complain sometimes that we do not make constructive suggestions. The trouble is that when we make concrete suggestions, they are ready to find fault; and when we rely on them to think out ways and means they turn round and say, "You do not make suggestions".

[Mr. Hossain Imam.]

Now, Sir, the Honourable Mr. Basu was very much touched by the poverty of the masses. He said that it is impossible for them to go in for contraceptives because they have not the money with which to buy them, and therefore we should do nothing. As I have said, the cost of rearing a child from its birth till it becomes self-supporting is high enough, and if you capitalise that you will find that the cost of contraceptives will not be greater. (*An Honourable Member* : "It is difficult for the people to capitalize".) Let the Government give the capital and take it back in small instalments. Then he suggested that Hindu and Muhammadan law forbade the practice. I do not think for a moment that those laws, as they are at present, stand in the way of checking the population. My personal opinion is that both Hindu and Muhammadan law give perfect latitude in the matter to men and women alike. It is up to the men to marry or not to marry multiple wives. Neither religion compels a man to marry more than one wife. Rather, in the Muhammadan law at any rate, though it is permissive, but the restrictions against multiple marriages are so strict that it has become a practical impossibility. At the present moment I do not believe that there are even one per cent. of Muhammadans who have more than one wife. In any case it is far better to have a legalised marriage than what they do in Europe.

The point was raised by some Honourable Member that this is a matter for the public and not for the Government because Government have not the money to spend on this propaganda. My reply to that is very simple. The Government have sufficient money to spend lakhs and lakhs, about Rs. 42 lakhs, on the maintenance of the Ecclesiastical Department, and that too in spite of their religious neutrality which is paraded so often by the Government. Cannot they then find a few lakhs to assist societies which may be started in connection with this work? Mr. Sapru also suggested the giving of aid to voluntary societies formed for the purpose of furthering birth control. This is not a new thing for us to ask the Government to do. Government is already giving help to many societies of this kind, for instance, the Lady Dufferin Fund, the Red Cross and St. John's Ambulance Societies. There are any number of societies doing humanitarian work to which Government is contributing, and I do not grudge their doing that. The aid is perfectly justifiable. They ought to do it, but is it any reason why they should not make a change now? An Honourable colleague of mine says its will not be humanitarian. I will reply to that. Do you think you are discharging your duty to your fellowmen by allowing them to die in hundreds and thousands every day on account of the ravages of illness, on account of starvation? Do you think you and the Government are discharging your duty in allowing all these innocent mothers, immature mothers dying in the prime of life? (*An Honourable Member* : "The Sarda Act".) The Sarda Act is on the Statute-book and until that comes before us again you have no right to demand my opinion on that. Sir, the Honourable Sir Ramunni Menon was doubtful whether those statistics are to be relied upon or not. As far as the future is concerned, no one can say with any certainty what can happen, but wise men do not wait for the calamity to come. They think that prevention is better than cure, and take preventive steps betimes.

THE HONOURABLE THE PRESIDENT : May I draw the attention of the Honourable Member to the fact that today is the last non-official day and there are two more Resolutions to discuss?

THE HONOURABLE MR. HOSSAIN IMAM : I will not take more than the necessary time. I will conclude by referring to two more arguments. The Honourable the Home Secretary drew our attention to the fact that in days of prosperity when he was a district officer, he found, in two places, that zemindars were complaining of lack of sufficient agricultural labour. That, Sir, as a matter of fact is a story of about nine or ten years ago.

THE HONOURABLE MR. M. G. HALLETT : Before the economic depression. That is my whole point. The matter was much more serious because of the temporary economic depression.

THE HONOURABLE MR. HOSSAIN IMAM : As far as I remember the Home Secretary left the districts in 1926.

THE HONOURABLE MR. M. G. HALLETT : In 1927.

THE HONOURABLE MR. HOSSAIN IMAM : That is about eight years ago. Though he had this experience then, is it not a fact that since then the population has increased by 8 per cent. More men are available than there were at that time when he was a district officer and therefore his fear that with the returning prosperity we will again be lacking labourers is wrong. It is rather pessimistic. It seems to me that our colleague thinks that human beings of the lower classes are no better than so many head of cattle and the only thing we have to see is whether India can produce that amount of food-stuff or not. When they are about to be born, give them one meal a day and herd them together and make them work as cattle. That is not the standard we want our men to have. We wish our masses to have a better standard of living than they have now and this we cannot have without checking this uncontrolled supply. Then, Sir, General Sprawson was kind enough to tell us that there is no data as to whether the population is a surplus population or not. Who is to be condemned for that? Is it not the duty of Government to collect all necessary statistics, to know how the people who are placed in their charge are living and what is their condition? If the Government could do nothing else, the least they could have done was to have appointed a committee to inquire into this matter—whether there is a problem or not. They could appoint a committee of experts and find out what is wrong. If they are not prepared even to have a committee to inquire into the matter, if they are not prepared to give a helping hand to voluntary societies, or if they are not prepared even to do propaganda work, as I ask, by including it in the curricula of secondary education, by having travelling birth control clinics, then it is not possible for us to withdraw this Resolution. Sir, I press it.

THE HONOURABLE THE PRESIDENT : Resolution moved :

"This Council recommends to the Governor General in Council to take practical steps to check the increase in the population of India".

The Question is :

"That this Resolution be adopted."

The Motion was negatived.

RESOLUTION RE RECRUITMENT OF INDIAN MEDICAL SERVICE OFFICERS BY OPEN COMPETITIVE EXAMINATION IN INDIA.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, I beg to move :

"That this Council recommends to the Governor General in Council to recruit Indian Medical Service officers by open competitive examination in India and to put a stop to the present method of recruitment by selection".

Sir, the subject-matter of this Resolution is not a new one. We are all aware that it has been agitating the minds of public men in India for the last 40 years. It was only in 1930 that a similar Resolution was moved in the Legislative Assembly and when put to the vote, adopted. The Army Secretary then was pleased to admit that *prima facie* the matter required consideration and examination. Sir, it has been under consideration for many years and it was only last year that my colleague Rai Bahadur Lala Jagdish Prasad moved a somewhat similar Resolution in March, 1934, in this House. The Honourable the Leader of the House was pleased to give an assurance that the whole debate would be forwarded to the Secretary of State and his attention would particularly be drawn to the Resolution. Sir, we do not know what happened during the year 1934, and as the subject-matter is very important I was forced to bring it before the House again after the expiry of the period under the rules and regulations of the Council.

Sir, it will not be out of place if I give a very brief history of the subject at this stage. From 1855 recruitment was done by competitive examination in England and the system went on for 60 years without any difficulty. It was only in 1915 that the competitive examination was replaced by a selection board. At that time, the idea was prevalent in India that, owing to the Great War and the large number of recruits required for the medical service, the system was temporarily changed. But we find that the system has been adopted by the Government permanently and that they are not going to revert back to the system of recruitment by competitive examination.

Sir, the Bombay Medical Union agitated on this question several times and made representations to several commissions and committees appointed. It was also considered by the Welby Commission of 1896, the Universities Commission in 1902, the Istington Commission of 1913-14, the Verney Lovett Committee of 1918, and the Lee Commission in 1920. But with all that, Sir, what do we find? We find that the same method exists today and the ratio of two British medical officers to one Indian has been kept on. Sir, I do not know why this ratio of 2 to 1 is being kept in a service like the Indian Medical Service when the Government was pleased to accept the ratio of 50 : 50 in the Indian Civil Service. We know that Government has always been laying great stress on the recruitment of the Indian Civil Service and the Imperial Police Service. But we find that Government is not prepared to change the ratio in the Indian Medical Service but have fixed the ratio which they have kept for the army.

Sir, we are strongly against recruitment by the selection board system or several reasons and one of the most important of them being that

it is likely to lead to favouritism. In a competitive examination one has a chance to show his merit but by the selection board system it is all in the hands of the few members of the board whether they take a very competent man or not. Sir, it was very interesting to read the reply of my Honourable friend, Major-General Sprawson, on this point. He said that he would not like to subject the Indian Medical Service officers to any more examination tests after having six years of education. I may, Sir, ask him that, if this system is detested in this service, why is it being kept in the Indian Civil and Imperial Police Services which are certainly more important than the Indian Medical Service? There, Sir, the candidates also have several University examinations and over and above this they have to sit for the competitive examinations both in England and in India before they are recruited. I fail to understand why this system does not appeal to my friend in the recruitment of Indian Medical Service officers?

Then, Sir, I find that in the recruitment of these officers, the selection board as a rule (though there may be exceptions) want candidates to have European qualifications. I protest on this point also, Sir. We all know that our Indian universities are turning out more than 500 graduates every year and these graduates have proved their worth in many ways. I am glad that my friend Major-General Sprawson was also pleased to admit that he was getting better and more competent men now. He said :

"I claim that we are now getting a better Indian personnel into the Indian Medical Service than we had before. I have asked the Director of Medical Services about this and he tells me that young Indian officers who are coming into the Service are exceptionally good and I agree with him. The Director of Medical Services is satisfied that they make good officers and I as Director General of Medical Services am satisfied that they are excellent doctors".

Sir, after this certificate I fail to understand what is the reason for giving preference to candidates who have got European qualifications, and why this preferential treatment should not be given up.

Then, Sir, what we find is that Government is taking doctors with Indian qualifications in the temporary service and they are given a chance generally of six to seven years. If they are worth keeping in the temporary service for so many years, I fail to understand this logic also. Sir, we all know that in December last the All-India Medical Conference passed a Resolution to the effect that the present method of recruiting officers to the Indian Medical Service by selection was undesirable and unsatisfactory, that the system should be stopped and that an open competitive examination should be held in India. Sir, this Resolution was adopted by that expert Conference and I do not know what consideration Government has given to it. I, personally do not want Government to sacrifice efficiency but when they can recruit graduates of Indian universities, without sacrificing efficiency by a competitive examination where they have got an equal chance to compete with doctors having European qualifications, there is absolutely no reason why this chance should not be given to them and the door should be closed against them. I know, Sir, that His Excellency the Commander-in-Chief has objection, so far as the army is concerned, and I find this from the speech of Major-General Sprawson in replying to that Resolution when he said that :

"The army has been compelled to insist on it for years and if His Excellency the Army Member were here he would tell you as he has told me that he sees at present no chance of recommending an alteration of that proportion".

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

Sir, if it is so, though I do not admit that His Excellency has got so much opposition for changing the ratio, I would submit that the military and civil services should be separated. So far as the civil services are concerned, they should be thrown open to Indians and Europeans without any exception. I hope that Government will be pleased to accept this suggestion of mine.

With these words, Sir, I move.

THE HONOURABLE MAJOR-GENERAL C. A. SPRAWSON (Government of India : Nominated Official) : Sir, as the Honourable mover has said, the purport of this Motion is not new to the House. It was just a year ago that I spoke on an almost exactly similar Motion. I welcome these repeated enquiries since the former debate, because they show that Members of this House take a great interest in the personnel of their medical and public health services and are anxious that the more important medical and public health appointments should be filled by the best men available. A year ago, the debate turned, as the Honourable mover has turned it today, towards the racial ratio in the Service. He desires a more rapid Indianisation of the superior Medical Service, civil and military. Now, the question of Indianisation is not new to the Indian Medical Service. Of the All-India Services, the Indian Medical Service was the pioneer in Indianisation. I believe I am correct in saying that before any other superior service had begun the process, there were many Indian officers in the Indian Medical Service. If the process appears of recent years to have slowed down, it is partly because the army requires a definite proportion of British medical officers, a preponderating proportion of British medical officers.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What for, please ?

THE HONOURABLE MAJOR-GENERAL C. A. SPRAWSON : I will leave His Excellency the Army Member to state why. I would continue and say that when the army comes to be mobilised for war, it requires still more officers, and of those officers again, a proportion must be British. The war reserve, as far as the Medical Service is concerned, is composed both of British and Indian officers. But British officers are not obtained in a hurry. The army mobilising requires them at once. They cannot wait for the Secretary of State to engage officers and send them out. Therefore, those officers must be in the service, well trained, and in India. But that same remark does not apply to Indian officers. Indian medical officers can be obtained from the Provincial Civil Services or from the ranks of the independent practitioners. They, on mobilisation, are readily available and they are engaged beforehand from a body called the Indian Army Reserve of Officers. As I have explained, that does not apply to British officers. They are wanted in a hurry and must be here on the spot. It would be an unfair burden on the military budget to have all these Indian medical officers who will be required for the war reserve in the Indian Medical Service, and it would be an unfair burden upon local Governments to compel them to engage several Indian medical officers required for the war reserve when it is unnecessary to do so. On the other hand, not even the majority of these officers who are in civil employment are there for purely military purposes. The majority of them are there because local Governments ask for them for attendance on their superior civil services, and presumably will continue to ask for them until these civil services are more Indianised. I have explained that point at some full length, because I do

not think it is generally understood that there must be a preponderating proportion of British officers in the reserve in the Indian Medical Service. If it were more generally understood, I think there will be fewer questions and perhaps less cavil at the present organisation. I want to make it quite clear that the majority of British Indian Medical Service officers who are in civil employment are there because the local Governments ask for them. A few more are there because they are required for the military needs of the Service. It is those considerations which I have explained which are the reason why there is a preponderating British proportion in the reserve.

Now, the Resolution of the Honourable mover concerns in the main the method of recruitment, both in the United Kingdom and in India. I cannot speak with direct knowledge of the method of recruitment in London. I have no doubt the Secretary of State retains his present method of recruitment by selection, because he has found by experience that he can select better officers that way. But I would not have you think that every British applicant who applies for a commission in the Indian Medical Service is accepted. In the last selection in December last, I may say that out of six applicants who presented themselves, only one was taken. When we come to speak of selection out here, I am on ground wherein I can speak with more intimate knowledge. And there I would advance the same arguments that I advanced last year to which the Honourable mover has referred. I said that the examination is now both open and competitive, although it is not of that theoretical type which involves the sitting down at a desk and writing answers to a written paper. I said also that it should be borne in mind that when these applicants present themselves before the selection board, they have already been spending the last seven or eight years of their life passing examinations of the type the Honourable Member refers to, an examination every six months or every year, just like taking so many hurdles in a hurdle race. The selection board has no need for a new examination. The selection board has before

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it the results of all these former examinations, the record of the candidate's career as a student, the reports on his conduct, his athletic attainments, the comments of the principal of the college, and all this information is more valuable than the results of another examination would be. In fact I consider another examination of that type not only unnecessary, but I maintain that in many cases it would give us fictitious information. It would place at a disadvantage those candidates who had been qualified for some time and had been away from this training for the hurdle race. Those candidates are likely to do best who come freshest to the course from their colleges and are in training. Most of our applicants have been qualified some years. They have spent the intervening years in hospital appointments, in practice, in working in laboratories. If they had to sit side by side with those fresh from colleges for a written examination, the examination would nullify their practical experience and place them at a disadvantage as compared to their juniors. Our present method of selection gives due consideration to the previous experience of those who have been qualified for some time. My personal experience of these methods of examination in my 35 years service in the Indian Medical Service has been almost equally divided between the former period when the examination was of the type the Honourable mover desires and the present period when a selection board conducts the examination through an interview, and I have no doubt whatever that we are obtaining now better officers, and by that I mean better medical men and better soldiers, than we were before. In fact the Honourable mover has very generously quoted what I said last year in appreciation of the good type we are getting, and I feel that if Members of this

[Major-General C. A. Sprawson.]

House could see some of our recently recruited material they would feel that we are getting the best that is obtainable and a personnel that is worthy of India.

The Honourable mover said that you must have a British qualification. That is not so. In response to a question, I quoted some figures last year, which I have not got in my mind now, of the number of those who have been recruited with purely Indian qualifications. It is obvious that, if we have candidates with both Indian qualifications and qualifications obtained by further study abroad, we should prefer the man who has the additional qualification. Then, again, the Honourable mover may have seen in the press a communiqué which said that in future any qualification which was on Schedule I of the Medical Council of India Act, 1933, would be acceptable for entry into the Indian Medical Service. That has opened the doors wide. Very justly and obviously that press communiqué means that any purely Indian qualifications are sufficient. I feel all the time that the Honourable mover and I are really wanting the same thing. He realises, I believe, the importance of getting the best Indian Medical Service personnel obtainable. He wishes, I feel sure, that the important appointments in the Public Health and Medical Departments should go to the best men that India has available. Our only difference of opinion lies in the method of recruitment, and there I maintain that our present methods have proved by experience that we are getting the best available and that no change in those methods is desirable.

Sir, I oppose the Motion.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution. The reply given by the Honourable Major-General Sprawson seems to me most unconvincing. The proportion of the British to the Indian Army, if I understand it rightly, is 1 to 2. If that is so, where is the necessity of having a larger proportion of British medical officers than that? I put that question to Major-General Sprawson while he was speaking but I regret that he did not give me any reply whatever. May I ask him how he would define the right sort of people to be enlisted in the Indian Medical Service? Do I understand that all the persons recently enlisted are members of the Royal College of Surgeons or of the Royal College of Physicians? If not, what are the high qualifications they possess? Why are you keeping the competitive examination for the Indian Civil Service? Has such examination for the Indian Medical Service in the past been a failure? Will the Honourable Major-General throw some light on the reasons which led to this change being made in the recruitment of the Indian Medical Service? Sir, there are any number of able and qualified medical men available in India who hold the highest qualifications obtainable in England or elsewhere in the world. The other day I was talking to a distinguished member of the Public Service Commission and he said that in these days they can get the highest possible qualified men, particularly in the medical line. If that is so, there seems no reason at all why Indians should not be given a chance in this covenanted service, the Indian Medical Service. My friend has observed that experience is a great asset and that is one reason why recruitment is being made from the ranks of men who had qualified and had some experience as well. If experience is to be a basic qualification then I think the competitive examination was a mistake altogether. But if people with experience only are to be taken, there is a vast field for recruitment in India where you have experienced men at your doors. The Honourable Major-General Sprawson observed that in the event of war we should have plenty

of men available, here in the Indian Army there is the Army Reserve of Officers but there will be difficulty then for the recruitment of British officers. Can not a similar pending list be kept in England of those people who would like to serve in the event of war? God forbid if another big war comes along, signs of which are appearing, if one may judge from the conscription pronouncement of President Hitler in the papers this morning. But if this pending list is kept it will be easy to obtain Britishers also. I see no reason, Sir, why the present proportion should continue. We should revert to the 50 : 50 per cent. proportion and the sooner we do it the better. Then, Sir, I want the Honourable Major-General to throw some light as to how Indian officers in the Indian Medical Service have behaved in the past? What has been their experience in the war, have they lagged behind any other race? I am convinced, Sir, that Indian medical officers have done equally well along with their British brethren and so I think that the claim put forward by my friend Rai Bahadur Mathura Prasad Mehrotra is quite justified and ought to have the support of this Council.

With these few words, Sir, I support the Resolution.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, may I add a few words to what has fallen from the Honourable Major-General Sprawson? It appears that the Honourable mover was not aware of the communiqué which was issued by the Government of India on the 2nd of February last. It runs thus:

"It has been decided with the approval of the Secretary of State for India that any person possessing Indian medical qualifications recognised under section 2, sub-section (1) of the Indian Medical Council Act, 1933, and registered in British India under one of the Provincial Acts is eligible for appointment to the Indian Medical Service."

This, Sir, is indeed the result, as was said by the mover of the Resolution, of continuous demand in India for a long time. I am gratified, and have no doubt that others who have worked to this end will be equally so, that recognition of Indian qualifications for admission to the Indian Medical Service has at last been achieved. The Honourable mover ought to be satisfied with it inasmuch as it is a great advance.

With regard to the Lee Commission ratio, the Army Secretary in the course of a reply to a question in the other House said that Government were reconsidering the whole matter of the ratio of the Lee Commission which was not sacrosanct. It means therefore that by far the most important point discussed by the Honourable Member has been solved, and another will be solved at no distant date. Further, it has to be remembered that as Indianisation progresses, there will be greater need for Indian qualified men. It would appear preposterous nay anomalous if in a battalion of 28 Indian officers there should be one European medical officer. I believe, Sir, those battalions as well as the division as they are gradually Indianised will have Indian medical officers with Indian qualifications. As regards recruitment during the last four or five years, the Army Secretary said that that was before the recent announcement. The number of men with double qualifications, British and Indian, that were taken on was preponderating compared to those with Indian qualifications, only I believe that it will cease to exist and Indians will have a fair field in the selection henceforward.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I ask my Honourable friend Sir Nasarvanji Choksy how far the communiqué is being translated into practice?

[18TH MARCH 1935.]

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : This communiqué was issued on the 2nd February this year and you do not suppose that it can be implemented almost immediately ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The reply of Major-General Sprawson shows that it is not being acted upon.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : That is not so. If the Secretary of State has announced his decision, I presume the Government of India will carry it into effect to the very letter.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, I regret that I am not satisfied with the reply of Major-General Sprawson. I will first take up the point about the communiqué which has just been placed before us by Sir Nasarvanji Choksy. Sir, it is a fact that I was not aware of this communiqué, but I should say it meets one-fourth of our demand only. One demand of ours was that the degrees of Indian universities should be placed on a level with the qualifications of European universities and the future will show how far Government is prepared to act upon it. As far as the figures for the last three or four years are concerned, we find that in 1931 only three doctors with Indian qualifications were admitted, in 1932 only one doctor was admitted and in 1933 again only one doctor was admitted. That is the record of the past. As for the future, we will have to wait and see how far the Government is going to increase the number of Indian graduates when recruitment is made. Then, Sir, the communiqué does not say that so many should be taken and the main question that recruitment should be made by competitive examination and not by a selection board remains where it was. Then the question of the ratio of 2 to 1 is also there. My friend Major-General Sprawson, while replying to my arguments, said that the question is being made a racial one. It has not been made a racial question from our side, but the ratio fixed itself shows that the Government has made it a racial question. If a ratio of 2 to 1 is fixed for the army, why should the same ratio be fixed so far as Indian Medical Service officers are concerned ? When the Lee Commission has accepted the proportion of 50 : 50 in the Indian Civil Service, there is absolutely no reason why at least the same proportion should not be fixed in the case of Indian Medical Service officers. I would ask my friend the Major-General to give us the number of British and Indian officers taken during the last four years. We shall then be able to judge the proportion that was kept in mind when the selection board made the recruitment. We would like to know also whether they had Indian or European qualifications. My friend the Major-General said that when the army is mobilised it requires more British officers. May I ask what was the result during the Great War when so many medical officers were required and the reserve fell short and teetered, they went to the war and worked side by side with doctors having European qualifications. May I know from the Government if they were in any way deficient in the performance of their duties or whether they performed those duties in the same way as other doctors did ? If they performed their duties conscientiously and the Government has had experience that at a critical time there will be no lack of Indian doctors, why should they keep such a large reserve of British officers without giving a chance to more Indian doctors having Indian qualifications ?

Sir, for these reasons, I regret I am not in a position to withdraw the Resolution and I press it to the vote.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, I had not intended to speak to this motion, but I would ask leave of the House to allow me to say two words because I think both the Honourable mover and my Honourable friend Lala Ram Saran Das have missed the point of my friend the Director General's reply. The Director General did not say or hint for a minute that the qualifications of these Indian medical gentlemen were much less than those of the Europeans, he went so far as to say that they were improving every day and that he had recently had reason to tell the House that the recruits he has had in the last year or two have been conspicuously good. But what he did say, Sir, was that as long as we have Europeans in the superior services in this country and British troops in this country, they demand a certain proportion of medical officers of their own race to look after them and especially after their wives and children. I personally think that they overdo that a bit and I think before very long they will find that the Indian medical officer is as good as their own. But it is an inescapable fact that we have to supply, the Secretary of State has to supply, a certain number of British medical officers with a view to looking after the superior services and the army. And as Major-General Sprawson pointed out, that number increases very greatly when mobilisation occurs. I think I am right in saying that something like between 80 to 100 extra British medical officers are required on mobilisation because of the immense expansion of the hospitals for war and it would obviously be ridiculous and expensive to keep these men eating their heads off in India, doing nothing, when we could keep them by having them out here in the Indian Medical Service and allowing them to take civil work in peace time. I hope I have put straight what I think was a misapprehension.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Has Your Excellency fixed the present proportion on that basis which you have just mentioned ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : No, there is no fixed proportion of 2 to 1. The Secretary of State at one time said that he thought certain numbers were necessary, which as it happened roughly worked out to 2 to 1, I think.

THE HONOURABLE THE PRESIDENT : Do you still desire to press the Resolution to the vote ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Yes, Sir.

THE HONOURABLE THE PRESIDENT : Resolution moved :

"That this Council recommends to the Governor General in Council to recruit Indian Medical Service officers by open competitive examination in India and to put a stop to the present method of recruitment by selection".

The Question is :

"That this Resolution be adopted".

The Council divided :

AYES—12.

Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Sriyut Heramba Prosad.
Chari, The Honourable Mr. P. C. D.
Gounder, The Honourable Mr. V. C. Vellingiri.
Hossain Imam, The Honourable Mr. Kalikar, The Honourable Mr. V. V.

Khaparde, The Honourable Mr. G. S.
Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Naidu, The Honourable Mr. Y. Rangamayakalu.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sapru, The Honourable Mr. P. N. Sethna, The Honourable Sir Phiroze.

NOES—35.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.
Basu, The Honourable Mr. Bijay Kumar.
Bata Singh, The Honourable Sardar.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Commander-in-Chief, His Excellency the.
Devadoss, The Honourable Sir David.
Ghazanfar Ali Khan, The Honourable Raja.
Ghosal, The Honourable Mr. Jyotsnanath.
Gladstone, The Honourable Mr. S. D.
Glass, The Honourable Mr. J. B.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Hallett, The Honourable Mr. M. G.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sir.
Memon, The Honourable Diwan Bahadur Sir Ramunni.

Mitchell, The Honourable Mr. D. G.
Mitha, The Honourable Sir Suleman Cassim Haji.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Philip, The Honourable Mr. C. L.
Raghunandan Prasad Singh, The Honourable Raja.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Sprawson, The Honourable Major-General C. A.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

INDIAN MILCH CATTLE PROTECTION BILL.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH (Bihar and Orissa : Non-Muhammadan) : Sir, I beg to move for leave to introduce :

"A Bill to protect the milch cattle".

Sir, in moving the Motion for the introduction of this Bill, I am not actuated by any other motive than to see India self-supporting in the matter of the supply of pure milk, butter, ghee, cheese and other food products produced from milk. It is a pity that a vast country like India which has got the potentiality of supplying milk and milk products throughout the whole world, is to depend on the imported condensed milk and other milk products

from other parts of the world and specially from a country like Holland whose dimension is more or less like that of a division in a province in India. The next point I would like to bring before the House is that milk is a staple food which is required for the nutrition of babies of all classes of persons irrespective of caste, creed or colour. It is a matter of every-day knowledge that child mortality in India is beyond proportion and cannot be compared with such mortality in other civilised countries of the west. The main causes of this big child mortality in India at the present age is the scanty supply of good pure milk in the country.

As milk is a necessity for the nourishment of—

THE HONOURABLE THE PRESIDENT : You need not go into arguments at the present stage.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : I move, Sir.

The Motion was adopted.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : Sir, I introduce the Bill.

RESOLUTION RE FINANCIAL CONDITION OF ASSAM.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA (Assam : Non-Muhammadan) : Sir, I move :

"That this Council recommends to the Governor General in Council that a committee of experts with three non-official Members of both Houses of the Indian Legislature be appointed to enquire into the financial condition of Assam and to find out means and ways for giving immediate necessary financial relief to the province and to recommend what financial aid from the Government of India the province would require in order to make it fully autonomous in the near future".

Sir, my Resolution seeks the appointment of a committee of experts to enquire into the financial difficulties of Assam in order to devise means and ways to enable her to tide over her present difficulties and to carry on her administration as an autonomous province in the near future. Much has been said on the floor of this House as well as in the other House about the financial difficulties and embarrassments of this province, and I would not like to dilate upon this subject any further now. The Joint Parliamentary Committee have admitted the difficulties of Assam and her claim to urgent relief and the Government of India have also realised the difficulties of this most necessitous province. The Honourable Mr. Tallents also made a statement in the House at the time of the general discussion of the budget that the Government of India were giving anxious thought and careful consideration to the question of Assam. I understand, Sir, that a committee of experts is going to be appointed in a few months and will be sitting in the next cold weather to inquire into the difficulties of all the provinces with regard to their finances. If that is so, I do not see any necessity of appointing another committee of experts now. If I get an assurance from the Government that it is so and that the case of Assam will be fully represented and considered in that inquiry, I would not like to press my Resolution.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, the Government of India assume that the proposal contained in the Report of the Joint Select Committee that a body of experts should be appointed to look into the financial condition of the different provinces will be implemented. We have no information as to when this Committee will be appointed, but we assume that it will be appointed fairly soon. On that supposition, the initial steps will be taken in the Finance Department in the course of the next few weeks to prepare the material for this body of experts when they come to India. We have, as I said, no definite information regarding the date, but we assume that the Committee will be appointed fairly soon.

As regards the second point on which the Honourable Member asks for a full assurance, I am in a position to give it to him. There is no possibility of the case of Assam going by default. Assam is one of the cases which will have to be very carefully considered. The Honourable Member has not given facts and figures; nor will I, because it is admitted that Assam is already badly in deficit and will be one of the first cases which this body will have to consider. I hope that with this assurance, the Honourable Member will not press his Resolution.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA: I beg to withdraw the Resolution, Sir.

The Resolution was, by leave of the Council, withdrawn.

MADRAS CITY HINDU TEMPLES BILL.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I beg to move:

"That the Bill to provide for the better administration and governance of Hindu temples in the City of Madras and the endowments attached thereto be circulated for the purpose of eliciting opinion thereon".

Sir, the objects and reasons of this Bill have already been stated by me. I would only state a few facts for the benefit of Honourable Members who are not quite acquainted with the province from which I come and the Hindu temple management there. As Honourable Members are aware, prior to the year 1842, the administration of the Hindu and Muhammadan religious endowments in British India was carried on by the Government itself. Efficient and stringent control over the management of the temples and mosques was exercised through the instrumentality of the officers of the State and there was no general satisfaction that the income was properly appropriated. But in 1842, the Government entirely divested themselves of the control and supervision of religious endowments owing to the result of an agitation in England that it was not the function of a Christian Government to administer or control Hindu and Muhammadan endowments. As a result of such relinquishment of control and the withdrawal of supervision, trustees were in a position to do as they pleased and mismanagement prevailed everywhere. This was considered to be a very unsatisfactory state of affairs, and as a remedy, the Religious Endowments Act of 1863 was passed. By this Act, local committees were appointed to exercise a form of supervision vested formerly in Government—

THE HONOURABLE THE PRESIDENT: All this is not necessary when you are moving for circulation.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: In 1922, a Bill was introduced in the Madras Legislative Council for the better administration and management of Hindu temples, and all the districts of Madras except the City of Madras was included in that Bill. The Madras City was also included in the Bill by the Select Committee, though originally the Bill did not stipulate for the inclusion of Madras City. Then when the Select Committee took it into consideration they also included the City of Madras. But when the Bill was passed His Excellency the Governor remitted the Bill for further consideration on the ground that the Madras Legislature had no power to amend the powers or jurisdiction of the Original Side of the Madras High Court. And the Government Member said that as soon as the Bill was passed, which was in 1927, the Government of Madras would take early steps to ask the Government of India to introduce legislation to bring the City of Madras into the purview of that Act. I am sorry to say that though nearly ten years have passed since then, the Madras Government have done nothing in that direction. It is for these reasons that I have introduced this Bill laying down that the City of Madras be also included in the Religious Endowments Act, 1927, and I am sure the Government of Madras are in sympathy with my Motion. Therefore I do not wish to take up the time of the House at this late hour and ask the leave of the House to circulate the Bill.

The Motion was adopted.

The Council adjourned till Eleven of the Clock on Thursday, the 21st March, 1935.

COUNCIL OF STATE.

Thursday, 21st March, 1935.

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

QUESTIONS AND ANSWERS.

ALLEGED GRIEVANCES OF INDIANS IN ZANZIBAR.

82. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Is it a fact that the Zanzibar Government have refused to take action on the representation of the Government of India ?

(b) If so, what further action do Government propose to take in the matter ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : (a) and (b). Government have recently received the views of His Majesty's Secretary of State for the Colonies on their representation relating to the Clove legislation in Zanzibar and these are under consideration.

ALLEGED OPPOSITION OF THE LONDON CHAMBER OF COMMERCE TO THE ZANZIBAR CLOVE GROWERS ASSOCIATION.

83. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Is it a fact that the London Chamber of Commerce have opposed the establishment of the Zanzibar Clove Growers Association and that they have recommended its abolition ?

(b) Have the British Government taken any action in the matter ?

(c) If the answer to part (b) is in the negative, will Government press the matter on the British Government ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : (a) Government have seen a Press report on the subject.

(b) Government have no information.

(c) The attention of the Honourable Member is invited to the reply just given by me to his previous question.

AMENDMENTS TO THE GOVERNMENT OF INDIA BILL WHICH HAVE BEEN SENT BY THE GOVERNMENT OF INDIA.

84. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Will Government be pleased to state whether they

have sent any amendments to the Government of India Bill to be incorporated in the Committee stage of the Bill?

(b) If so, will Government be pleased to place them on the table?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : (a) and (b). It is not clear what the Honourable Member really wants to know. It is well understood that it is not in the public interest to disclose the correspondence between the Secretary of State and the Government of India. The Honourable Member no doubt reads in the public press all the amendments to the Bill at the Committee stage.

FALL IN STERLING AND PRECAUTIONS TAKEN BY THE GOVERNMENT OF INDIA.

85. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Have Government taken any precautions in the matter of the effect on India of the fall in sterling? If so, what precautions?

THE HONOURABLE MR. P. C. TALLENTS : Government have taken no precautions, nor in view of the reassuring statement made by the Chancellor of the Exchequer in the House of Commons on the 7th March, 1935, do they consider that any steps are necessary.

SHORT NOTICE QUESTIONS AND ANSWERS.

THE HONOURABLE THE PRESIDENT : There are notices of two short notice questions by Raja Ghazanfar Ali Khan and the Honourable Mr. Suhrawardy. Has the Member in charge any objection?

THE HONOURABLE MR. M. G. HALLETT : No, Sir.

THE HONOURABLE THE PRESIDENT : You can put those questions.

POSTPONEMENT OF THE EXECUTION OF ABDUL QUAYUM AND DISTURBANCES IN KARACHI.

86. THE HONOURABLE RAJA GHAZANFAR ALI KHAN : (a) Is it a fact that the execution of Abdul Quayum was originally fixed for the 4th March? If so, why was it postponed?

(b) Will Government be pleased to make a full statement on the subject of the disturbances in Karachi following Abdul Quayum's execution?

THE HONOURABLE MR. M. G. HALLETT : Sir, I take the opportunity given by this question to give the Council all the information which I have available regarding the very regrettable occurrence at Karachi. It will be recognised, I think, that the information at present available consists only of somewhat brief telegraphic reports and that I have not the fuller details which we shall receive no doubt shortly from the district authorities and from the Government of Bombay.

Dealing with the first clause of the Honourable Raja Sahib's question as regards the postponement of the execution, the following is an extract from a report submitted by the Government of Bombay :

"The sentence imposed on Abdul Quayum and the rejection of his appeals created communal tension in Karachi and the local press had to be prohibited from commenting on the case. Abdul Quayum's execution was originally fixed for 4th March but was postponed two days previously on local authority reporting that serious disturbances were expected in connection with burial in prison cemetery which is at a considerable distance from the prison and suggesting transfer of prisoner for execution to jail elsewhere. On the morning of 4th March a large Muhammadan crowd assembled outside the jail demanding to see the prisoner and threw stones at police, but were dispersed without difficulty after a *lathi* charge. Bombay Government decided that there were grave objections to the transfer to jail elsewhere as demonstrations *en route* were likely, whether he was transferred by rail through Sind or by sea *via* Bombay".

The second part of the question asks for a general statement on the subject of the disturbances which followed his execution. As I have said, I rely on the somewhat brief telegraphic reports received from the District Magistrate. The first report received was to the following effect :

"Abdul Quayum executed this morning. Early burial in selected graveyard distant from the city was interrupted by a Muhammadan crowd which swelled to 20,000 or more. Half the crowd attempted to rush the body by surprise into the city with the certainty that there would be grave communal disturbances. The police were overpowered. British soldiers were then ordered to fire as a last resort. A detachment of about 25 men fired nearly two rounds each. The rush was checked with casualties of about 29 deaths and about 87 injured. Firing was strictly limited, but number of casualties was due to density of the crowd and the closeness of the range. The crowd retreated and buried the body of Abdul Quayum outside the city. Situation is quiet at present but under close observation".

That was received on Tuesday evening. A somewhat more detailed report received yesterday gives the following information. That gives the time table according to the time at which the various events occurred.

"4 A.M. Abdul Quayum executed.

5-50 A.M. Body was sent to the cemetery two miles outside the city.

8 A.M. The body was placed in the grave after proper rites.

8-30 A.M. Filling of grave was obstructed by Muslim crowd inflamed by communal feeling. Police were withdrawn from an indefensible position to the city.

9-45 A.M. Military aid was invoked to prevent the rumoured parade of the body through the city. The body was then removed from the grave against the wishes of the relatives and carried to the city for parade.

12-15 P.M. A frenzied crowd of about 10,000 strong using *lathis* and stones were intercepted at Chakiwarra cross roads on outskirts of city by 40 unarmed, 10 armed police, 50 soldiers of the Royal Sussex Regiment who were accompanied by the District Magistrate and the City Magistrate. Police were overwhelmed without firing. Soldiers fired to stop the crowd in self-defence. The large number of casualties was due to the fact that the soldiers were obliged to fire at the closest range at the dense mob which was rushing on them. Minimum force was used in a situation which endangered the whole city. If rioters had broken through the cordon reinforcements from unruly elements inside the city would have involved widespread looting and attacks on Hindu population and general chaos. Casualties,—this is the revised list of casualties,—Casualties 35 dead, 67 suffering from major injuries and 33 suffering from minor injuries. Immediate arrangements were made for the removal of all casualties to the civil hospital, but initial removal was hindered by crowds stoning lorry drivers. Everything possible was done for the wounded. The body of Abdul Quayum was reinterred by a section of the crowd in the original place at 3 o'clock. City life returning to normal".

That, Sir, is all the information that I have available to give to the House ; I regret that there is no more. They will recognise that on such occasions it is difficult to obtain immediate and detailed reports.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Are the Government aware that the Hindus and Muhammadans jointly have issued an appeal to the public to raise subscriptions to help the wounded ? If so, how does the Government explain the presence of communal feeling ?

THE HONOURABLE MR. M. G. HALLETT : Sir, I have seen the fact stated in the papers. I am delighted to see that both Hindus and Muhammadans, after this very unfortunate incident, are joining together to help the wounded and those who have suffered as a result of their being wounded.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Is it a fact that the dead body of Nathu Ram, who was murdered by this Abdul Quayum, was allowed to be carried in procession through the City of Karachi and that the funeral was attended by more than 10,000 men and there was no disturbance of the public peace ?

THE HONOURABLE MR. M. G. HALLETT : I have no information about that. The matter was never reported to the Government of India and I shall have to inquire from Bombay as to exactly what happened on that occasion and what precautions were taken to prevent any breach of the peace.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Will the Honourable Member further inquire as to why the local authorities allowed a mob of 25,000 people to collect at the graveyard and did not take any steps to prevent the people from coming to the graveyard ?

THE HONOURABLE MR. M. G. HALLETT : I have no doubt the local authorities took all possible steps to prevent any serious breach of the peace and that will probably be made clear when we get a detailed report from the District Magistrate and others giving a full account.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Will the Government please inquire whether there was any communal agitation before the execution of Abdul Quayum or the Government just thought that the carrying of his funeral through the city would cause communal disturbances ?

THE HONOURABLE MR. M. G. HALLETT : Sir, I understand from the report that we received from Bombay that there was considerable communal agitation as soon as the sentence had been passed on Abdul Quayum and after his petitions of appeal to the Privy Council and the local Government and the Governor General had been rejected. That is stated in the telegram that I have here. The agitation had been going on since that date. It was sometime about the middle of February or early in February.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Are the Government aware that Elamuddin's body was given to his relations when he was executed in similar circumstances, and a crowd of more than two lakhs accompanied his funeral procession and passed through the city of Lahore and there was no communal disturbance and no breach of law and order. If so, why did the Government think that this was a particular occasion where by giving permission to the relations they would cause a communal disturbance ?

THE HONOURABLE MR. M. G. HALLETT : I am not aware of the case to which the Honourable Member refers—I have not seen any detailed report of it. But each case must be judged on its merits and in the light of local conditions.

THE HONOURABLE MR. HOSSAIN IMAM : Do the Government propose to appoint a Committee of Inquiry ?

THE HONOURABLE MR. M. G. HALLETT : The Honourable the Home Member will refer to that point, I think, in the course of his speech in another place this afternoon.

EXECUTION AND BURIAL OF ABDUL QUAYUM AND DISTURBANCES AT KARACHI.

87. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will the Government of India be pleased to state :

1. Is it a fact that about 70 Moslems were killed and 250 wounded by the military at Karachi while the dead body of Abdul Quayum was being taken in procession ?

2. Is it a fact that the authorities had tried to conceal the execution and the burial of Abdul Quayum from the Mussalmans which caused excitement among the latter ?

3. Is it a fact that the authorities declined to give the dead body to the Mussalmans ? If yes, why ?

4. Is it a fact that on previous occasions of the same kind the dead bodies of executed persons were handed over to the people of their community under certain conditions and the burial took place without any disturbance ?

5. Is it a fact that the dead bodies of Elamuddin (assassin of Rajpal of Lahore) and of Mohamed Sidik of Kasur were given to the Mussalmans ?

6. What were the reasons why the authorities did not do the same thing in this case also ?

7. Whether the Hindus of Karachi were allowed to take the body of Nathu Ram (victim of Abdul Quayum's outrage) in procession through the town ?

8. The reasons why the military took recourse to sharp shooting at once on the mob without giving them sufficient time to disperse ?

9. Under whose orders the firing took place ?

THE HONOURABLE MR. M. G. HALLETT : Sir, I trust that the information which I have given in reply to the last question covers many of the points raised in this more detailed question of the Honourable Mr. Suhrawardy.

In regard to point 1, as I have said in reply to the last question, the latest information we have regarding the casualties is that 35 were killed and that 67 suffered from major injuries and 33 from minor injuries, giving a total of 135.

As regards questions 2, 3 and 4, I understand from the District Magistrate's telegram that the relatives were at the graveyard because it states in this telegram that the body was removed from there contrary to the wishes of the relatives. I have no doubt that provision had been made for relations to be present at the burial.

As regards question 5, I have already answered that in reply to the supplementary of the Honourable Ghazanfar Ali Khan.

I have also replied to question 7 in reply to another supplementary.

As regards 8 and 9, I understand that the situation became so serious that the city magistrate, who was there, by a written order authorised the military to take charge of the situation. That is in accordance with the ordinary procedure.

As regards 9, I take it that the order was passed by the officer in charge of the platoon.

THE HONOURABLE MR. BIJAY KUMAR BASU : From the trend of the answer we do not understand if all the persons that were killed and injured were Muslims.

THE HONOURABLE MR. M. G. HALLETT : I am afraid I have no definite information about that.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Do the Government know that there was not a single Hindu person there in the procession and that therefore the question of any non-Muslim being killed does not arise ?

THE HONOURABLE MR. M. G. HALLETT : I have no information but I think it is most improbable that there was.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : But, Sir, is it not surprising that the Government should not have any information on such a vital point ?

THE HONOURABLE MR. HOSSAIN IMAM : Were any women and children killed or wounded ?

THE HONOURABLE MR. M. G. HALLETT : I am only quoting from a report in the press—a small boy was unfortunately killed. I have not got any definite information from the local authorities.

THE HONOURABLE MR. P. N. SAPRU : Did the crowd kill any one ?

THE HONOURABLE MR. M. G. HALLETT : Sir, on that point again I have no information but certain people were burnt, including, I think, the honorary magistrate and some of the police.

THE HONOURABLE MR. HOSSAIN IMAM : Were there any serious injuries inflicted ?

THE HONOURABLE MR. M. G. HALLETT : I am not aware of the exact extent of the injuries.

THE HONOURABLE NAWAB KHWAJA HABIBULLAH OF DACCA : How much time was given to the crowd to disperse before the order to fire was given ?

THE HONOURABLE MR. M. G. HALLETT : There again I cannot give the exact time in minutes. They were held up for a considerable time. Then the situation became so dangerous that, as I stated, the city magistrate asked the military to take action and, as stated in the telegram, action had to be taken partly, if not mainly, in self-defence by the troops who were surrounded by this large mob.

ALIGARH MUSLIM UNIVERSITY (AMENDMENT) BILL.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Education, Health and Lands Member) : Sir, I beg to move :

"That the Bill further to amend the Aligarh Muslim University Act, 1920, for a certain purpose, be taken into consideration."

As stated by me, Sir, at the time when I asked leave to introduce the Bill, this is a very simple and non-controversial measure which meets the wishes of the entire body of the Court of the University so that the two schools of thought prevailing in the Court at present are satisfied thereby. I do not think, in view of there having been no comment against this measure anywhere, that it is necessary for me to repeat the observations I made when I introduced the Bill. It is a very simple non-controversial measure of one clause and I, Sir, move that it be taken into consideration.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, I am one of the members of the Court of the Muslim University at Aligarh, and I was present at the meeting in November last, when I saw that there was a great deal of opinion in support of retaining the Pro-Vice-Chancellor. It was considered by many eminent Mussalmans who collected in Aligarh in November last that it was essential to have a Pro-Vice-Chancellor for the better management of the University affairs and for keeping up the control and discipline of the University. There was, however, objection from other quarters. Some members held that the post of Pro-Vice-Chancellor was not necessary under the present financial condition. As stated in the statement of objects and reasons of the Bill, this proposition was upheld by 42 against 38 votes. The present Bill does not abolish the Pro-Vice-Chancellor's post, but it is in consonance with the wishes of both sides and the opinions of all shades of the Mussalman public that Government have brought forward this measure. It gives full liberty to the Court to have a Pro-Vice-Chancellor or not as they like and as occasion demands. It was considered at one time, when Dr. Sir Saiyid Ross Masud was acting as Vice-Chancellor, that with his educational qualifications and his experience in the matter of education, it was quite sufficient to give him the power of both the Vice-Chancellor and the Pro-Vice-Chancellor. Those circumstances changed when Dr. Sir Saiyid Ross Masud left the University. Under the present circumstances, I think that there could be no better solution than what has been proposed by the Honourable Member in charge of the Bill, and I think great credit is due to the Honourable Mian Sir Fazl-i-Husain for bringing in this measure which will stop the controversy in the Court and will give them an opportunity to act as they like whenever any occasion arises. I therefore support this Motion that the Bill be taken into consideration.

THE HONOURABLE THE PRESIDENT : The Motion is :

"That the Bill further to amend the Aligarh Muslim University Act, 1920, for a certain purpose, be taken into consideration."

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:
Sir, I beg to move:

"That the Bill be passed."

The Motion was adopted.

RESOLUTION RE NON-RATIFICATION OF THE DRAFT CONVENTION FOR THE REGULATION OF HOURS OF WORK IN AUTOMATIC SHEET-GLASS WORKS.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Sir, I beg to move:

"That this Council, having considered the Draft Convention for the regulation of hours of work in automatic sheet-glass works, adopted at the Eighteenth Session of the International Labour Conference, recommends to the Governor General in Council that he do not ratify the Draft Convention."

A few days ago, a pamphlet was distributed to Members of this House containing the Report of the Delegates of the Government of India who attended the Eighteenth Session of the International Labour Conference. The Report contains the text of the Draft Conventions. The number of this particular Draft Convention is 3, and it will be found on page 26 of the pamphlet. The gist of the Convention is contained in the first part of Article 1 and in Article 2, which I propose to read for the information of the House. Article 1 runs:

"This Convention applies to persons who work in successive shifts in necessarily continuous operations in sheet-glass works which manufacture by automatic machine sheet-glass or other glass of the same characteristics which only differs from sheet-glass in thickness and other dimensions".

I draw attention in connection with this Article to the fact that it is automatic continuous processes only to which the Convention applies. Article 2 runs:

"1. The persons to whom this Convention applies shall be employed under a system providing for at least four shifts.

2. The hours of work of such persons shall not exceed an average of forty-two per week.

3. This average shall be calculated over a period not exceeding four weeks.

4. The length of a spell of work shall not exceed eight hours".

Sir, under present conditions, workers engaged in continuous processes in factories may be required to work 56 hours a week. In practice, they work in 8-hour shifts, and as they have to put in 56 hours a week, it necessarily follows that they cannot have a regular weekly holiday. By some arrangement of the shifts and a compression here and there, in practice the workers are usually allowed a regular fortnightly holiday. The conditions are not ideal, but I would point to the fact that they have an 8-hour day. Under the conditions proposed in the Convention, the work will be 42 hours a week taken on an average for four weeks. Again, the shifts contemplated are 8-hour shifts. They are not 6-hour shifts as might appear at first sight possible, because one of the main objects of the Convention is to secure a regular weekly rest. With an 8-hour shift however, it is obvious that if a man works for six days in succession, he will have worked 48 hours, and will have exceeded the 42 hours permitted. So, in practice, the shifts are so arranged on a scheme whereby, for instance, in one week, he will work 48 hours, and in the next three weeks he will work 40 hours, which averages out for the four weeks, as required by the Convention, to 42 hours. This means he works eight hours

a day, and in one week he has one clear day's holiday and in the successive three weeks he has two clear days' holiday. Now, Sir, that is a very big jump, from an 8-hour day with a fortnightly holiday to an 8-hour day with seven holidays in four weeks. The present conditions were settled only in August last in this House in the present Factories Bill, which is a fair compromise arrived at after full consultation and discussion with all interests concerned. The only question is, is there any justification after the lapse of a period of seven months only to take this sudden jump from 56 hours to 42? I put it to the House that there is no justification at present for such a very big step in advance. The Convention concerns only one small factory in the United Provinces employing some two or three hundred men, and I am given to understand that the work on continuous processes of manufacture of sheet-glass is no more strenuous than in many other continuous processes in other factories in India. There is therefore no special reason for selecting this particular small and struggling industry for this very rapid advance in the regulation of labour.

Sir, I move.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I move the following amendment:

"That for the words 'that he do not ratify the Draft Convention' the following be substituted, namely:

"That the matter be brought before the Council for consideration after the publication of the Report of the Tariff Board on glass industries in India,"

Sir, as the Honourable Mr. Mitchell has told us, there is only one glass factory which will be affected by this Convention in this country. That glass factory happens to be situated in the Moradabad district of my province. It is in a bad way. People have invested some Rs. 8 lakhs in this industry and it is dying for want of adequate Government support. The price of sheet-glass in 1927 was Rs. 8-8-0 per hundred square feet. Now, on account of the Japanese competition the price has come down to Rs. 5-4-0 per hundred square feet.

THE HONOURABLE THE PRESIDENT: May I point out to the Honourable Member that we are concerned with hours of work only and not with the price of glass.

THE HONOURABLE MR. P. N. SAPRU: Sir, my amendment is that the question should be considered after the report of the Tariff Board on this glass industry has been published, that we should neither ratify nor accept the Convention until the report of the Tariff Board has been published. The Tariff Board reported in 1932 and it is not clear why that report has not been published so far and I am seeking this opportunity to plead the cause of a struggling industry in my province. I am not going into the question of hours. On that I hold strong views. I recognise that the Factories Act is an improvement over the present position, but I should have liked the Factories Act to go further and accept the 48-hour week. But I am not raising any question as regards hours. I want to raise the question of the non-publication of the Tariff Board's report, and my amendment is that we neither ratify nor accept the Convention until the Tariff Board's report is published and we know what the attitude of the Government of India is towards this glass factory. It is for that reason that I wanted to give some facts in regard to the glass industry. If you think, Sir, that that will be irrelevant I will not say anything.

THE HONOURABLE THE PRESIDENT: Every amendment must be relevant to the Motion before the Council. You cannot take the opportunity

[Mr. President.]

of moving an amendment to discuss another subject which does not fall within the scope of the main subject or Resolution before the Council. I think you will do better by not referring to this aspect of your amendment at any length.

THE HONOURABLE MR. P. N. SAPRU : Very good, Sir. The position is that the Japanese have practically captured the Indian market and that this industry is in a very bad way. Japan has captured 63·8 per cent. of the Indian market, and therefore I will content myself by merely saying that we should neither ratify nor accept this Convention until we know what the attitude of the Government towards this industry is. I hope that the case of the glass industry will meet with favourable consideration at the hands of the Government. This is all I have to say.

THE HONOURABLE THE PRESIDENT : Amendment moved :

"That for the words 'that he do not ratify the Draft Convention' the following be substituted, namely :

'that the matter be brought before the Council for consideration after the publication of the report of the Tariff Board on glass industries in India'."

The debate will now proceed both on the original Resolution and on this amendment simultaneously.

*THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I also have not been able to follow correctly the amendment moved by my Honourable friend Mr. Sapru. The question before us, as moved by my Honourable friend Mr. Mitchell, is either to ratify or not to ratify the Convention. From the information given to us by him just now it seems that there is only one factory in India which is concerned, to which reference has been made by my Honourable friend Mr. Sapru. I further understand, Sir, that the factory is in a tottering condition, that they applied to the Government of India for protection, that the Tariff Board examined their case in 1932 and that as yet the Government have not made up their minds whether to give protection to this factory or not. I agree fully with my friend Mr. Sapru that there is really a case for giving protection to this industry. But so far as the hours of work are concerned, we were told by my Honourable friend Mr. Mitchell just now that the work was not arduous. (*An Honourable Member* : "It is arduous".) Well, if it is so very arduous I would be prepared to consider the question of reducing the hours of work. But under the present circumstances obtaining in the factory I do not think we shall be doing justice to that factory by amending the Resolution of my Honourable friend Mr. Mitchell by adopting the amendment proposed by Mr. Sapru. The amendment says the matter should not be considered until the report is out. Well, I do not really understand the point sought to be made by my friend Mr. Sapru in objecting to the passing of the present Resolution by Government in this House. If he wants protection for that industry, I would certainly like to help him and support his view, but he should put down an amendment or come out with a definite Resolution. There is nothing practical in this amendment and therefore I would ask my friend Mr. Sapru to support the Resolution brought by my friend Mr. Mitchell, because I frankly state here that if we reduce the hours of work for this tottering industry, we shall be hindering the manufacture of sheet-glass. I must admit that I am not an industrialist.

* Speech not corrected by the Honourable Member.

I must also frankly state that I do not know the practical working of this industry, but I find from what I have read and from the pamphlet which they have circulated to us that they are really in a very bad way. If we impose some sort of condition over them for reducing the hours of work we shall thereby hinder and be a party to the reduction of the factory to a worse plight. I therefore submit, Sir, that we should support the Resolution moved by my friend Mr. Mitchell.

THE HONOURABLE MR. P. N. SAPRU : On a personal explanation, Sir. I have not raised any question of hours in my amendment.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : After hearing the Honourable Mr. Mitchell, I feel we must support the Motion made by him. It is clear that there is only one factory to which the Convention would apply in India and that too in a very bad condition. The Honourable Mr. Mitchell pointed out that we fixed the hours of work in the other Act only a few months back and we ought to see that having regard to the large extent of imports from Japan conditions are made to exist in India for supporting new industries on the lines of the one already in existence, so that we may supply the real needs of India. Under these circumstances we are not in a position to enforce a Convention based upon a 42-hour week and having regard to the fact that even the single factory which is in existence is in a tottering condition, I think we shall be well advised in giving hearty support to the Motion made by the Honourable Mr. Mitchell.

THE HONOURABLE MR. D. G. MITCHELL : Sir, after the most welcome, though somewhat unexpected, support received from certain Honourable Members of the House, I have very little to add in resisting the amendment proposed by the Honourable Mr. Sapru. I would only urge upon the House that protection is one thing, which depends on a particular set of considerations, and the regulation of hours of labour is an entirely different thing, dependent upon entirely different considerations, and that if we mix the two together, one or other or both might be prejudiced. I would appeal to my Honourable friend Mr. Sapru, I would appeal to his instincts as a lawyer, not to be guilty of the fundamental error of misjoinder of causes of action. I would ask him to withdraw his amendment.

THE HONOURABLE MR. P. N. SAPRU : I have no desire to press my amendment; I beg leave of the House to withdraw it. I only wanted to bring the question of protection prominently before the House.

THE HONOURABLE MR. HOSSAIN IMAM : May I ask a question? Does the Honourable Member for Industries contemplate publishing the report of the Tariff Board?

THE HONOURABLE MR. D. G. MITCHELL : Sir, on that matter, I have no direct information. I understand that it is still under consideration and that it will be published as soon as possible, and when it is published I gather it will contain an explanation of the cause of the long delay.

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

THE HONOURABLE THE PRESIDENT: Resolution moved :

"That this Council having considered the Draft Convention for the regulation of hours of work in automatic sheet-glass works adopted at the Eighteenth Session of the International Labour Conference, recommends to the Governor General in Council that he do not ratify the Draft Convention".

The Question is :

"That this Resolution be adopted".

The Motion was adopted.

RESOLUTION *RE* NON-RATIFICATION OF THE DRAFT CONVENTION ENSURING BENEFIT OR ALLOWANCES TO THE INVOLUNTARILY UNEMPLOYED, ETC.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary): Honourable Sir, I move :

"That this Council, having considered the Draft Convention ensuring benefit or allowances to the involuntarily unemployed, and the Recommendation concerning unemployment insurance and various forms of relief for the unemployed, adopted by the International Labour Conference at its Eighteenth Session, recommends to the Governor General in Council that he do not ratify the Draft Convention nor accept the Recommendation".

Sir, this Draft Convention is No. 4 and will be found on page 27 of the pamphlet to which I referred in the course of the last discussion. The gist of it is contained in Article 1, which I will now read :

"Each Member of the International Labour Organisation which ratifies this Convention undertakes to maintain a scheme ensuring to persons who are involuntarily unemployed and to whom this Convention applies :

- (a) benefit, by which is meant a payment related to contributions paid in respect of the beneficiary's employment whether under a compulsory or a voluntary scheme ; or
- (b) an allowance, by which is meant provision being neither benefit nor a grant under the ordinary arrangements for the relief of destitution, but which may be remuneration for employment on relief works organised in accordance with the conditions laid down in Article 9 ; or
- (c) a combination of benefit and an allowance".

Article 2, paragraph 4, mentions that this Convention does not apply to seamen or agricultural workers. In moving for the rejection of this Draft Convention I have once more to lay stress on the fact that Government is not unsympathetic. The chief reason, put in a few words, for rejecting this Convention is that as applied to conditions in India it is impracticable. It has been asked, and may again be asked today, if unemployment insurance and benefits can be successfully administered in other countries, then why should it not be done in India? That is the question to which I propose to set myself to give a reply. I shall take the example of Great Britain as being probably the best example of the successful administration of unemployment benefit and I shall mention merely a few of the more important features relating to labour and labour organisation there. I shall mention four features only and their results. In the first place, labour in Great Britain is almost entirely very highly specialised. A man who works in the cotton textile industry works at nothing else and is probably not able to work anything else. A man who works in steel again has no other alternative to fall back upon. They are specialised and tied down to their own trades. Secondly, labour is very largely localised. You will find in Lancashire people whose fathers and grandfathers have been in the cotton textile industry and in North England you will find

people engaged in the working of metals, who have been so engaged for generations on end. Similarly in South Wales you will find miners who are the sons and grandsons of miners. Again the workers usually have permanent homes and addresses. Even if they should change locality, they move away their furniture and engage a new house and settle down again, and resume a more or less permanent address. And lastly they are all literary and very well able to look after themselves and to see that their cards are properly filled in and that they get their fair due from all concerned. As a result of these four conditions it has been possible to devise very elaborate and fairly accurate labour statistics. In particular, figures of employment and unemployment are full and fairly accurate and on these figures it is possible to calculate with reasonable accuracy the amount of contribution which is required in order to sustain a well devised benefit or allowance scheme. Another result of these conditions is that the administration of the benefits as compared with other countries is a comparatively simple matter, though as a matter of fact it is carried out by a very elaborate machinery and an enormous army of officials. The payments can be made regularly and without fraud on one side or omissions on the other.

Now, let us examine India very shortly in regard to these same features. In the first place, labour is not specialised. To a very large extent, the labour even in the most highly organised industry of all, the cotton textile industry, is drawn from the agricultural population. They come for a few months at a time, work in the mills and go back. For instance, in my own province, sometimes people work in the cotton mills in Nagpur, sometimes in the manganese mines in Balaghat and sometimes in their village.

Secondly, the labour is not localised. They come from villages scattered over a very wide area, work for a few months in the mills and factories, and go back again.

Thirdly, they have no permanent address except in their villages. While they are working in the factories or elsewhere, very frequently no one knows in which particular *chawl* or *basti* they happen to be living.

And fourthly, I regret to say they are illiterate and not yet fully in a position to look after their own interests. The results of these conditions are serious. The first is that it is impossible to give a definition of the word "unemployed". If a man comes to a factory for six months in the year and goes back to his village, and if he gets casual employment there as an agricultural labourer, when and how far is he unemployed? Is he unemployed as a factory labourer or is he unemployed as an agricultural labourer? The Convention, I may say, applies to factory labour only. Again, he may be a small holder. If he loses his job in the factory, he may very well go back to his land and put in a little extra intensive work. Is he employed or unemployed? Secondly, owing to this general fluidity and lack of definition in the conditions of labour, no reliable statistics are at present possible. Something, I dare say, could be had but it would be at very great expense and very great trouble and labour. It follows, therefore, that it is not possible to calculate the contributions to be made by employers and employees in any scheme of unemployment benefit. The liability is entirely unknown, and for Government to launch into a scheme of this kind would mean signing a blank cheque whose ultimate amount may be very surprisingly large.

Lastly, the administration of the scheme would be very elaborate and costly and almost certainly ineffective. Fraud might occur, it almost certainly would occur. Omission would occur on a very large scale. A might get

[Mr. D. G. Mitchell.]

what he was entitled to but less than he hoped for ; B might get less than he was entitled to ; C might get nothing at all ; D might get more than he was entitled to. And out of these four men, D would be the only man who would be contented ; the others would be very discontented.

To sum up, Sir, India is unfortunately not quite ready for this very advanced scheme for the protection of labour. My suggestion is that we should wait a little until labour becomes more localised and more organised and then see if this scheme is feasible on an experimental scale. At present, we regret to say, it seems to be impossible and I move that the Draft Convention be not ratified.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I move :

“That for the words ‘that he do not ratify the Draft Convention, nor accept the Recommendation’ the following be substituted, namely :

‘that such steps, legislative or otherwise, may be taken for the relief of unemployment as would lead to the ratification of the Draft Convention and the acceptance of the Recommendation as soon as practicable’.”

Now, Sir, I hope my friend, the Honourable Mr. Mitchell, will not consider me lacking in appreciation of the good work that his department is doing if I decide, even after his speech, to move my amendment. Sir, the Treaty of Versailles lays down that relief of unemployment is one of the duties of civilised administrations. We are, as you know, Sir, an original member of the League of Nations and we are bound by the Treaty which brought the League into existence. It will be remembered, Sir, that in another place last year there was a Resolution on unemployment and the Government accepted the main principle underlying that Resolution. Now, Sir, there is no denying the fact that there is a considerable amount of unemployment in industry. According to a modest calculation, the number of unemployed is between two and three lakhs. That, I submit, Sir, is a very considerable number, having regard to the total industrial population of this country. The figures, Sir, which I have given cover mines, factories and railways. But they do not cover dockyards and they do not cover seamen, and in the case of dock workers and seamen there is also unemployment. Sir, the industrial depression and the low purchasing power of the people which is consequent on that depression have hit the workers very hard and we know also that there is also considerable middle class unemployment. Now, Sir, I submit that the whole problem of unemployment is one and indivisible. Middle class unemployment is not a merely educational problem. You cannot solve the middle class unemployment problem without also attacking this question of industrial unemployment.

Sir, unemployment, as we know, has a very serious effect upon a man's life and it is for that reason that in western countries the system of unemployment insurance for the involuntarily unemployed has been evolved. Now, Sir, here our real difficulty is that the risks of unemployment, it is said, are not calculable. There are no available statistics of what unemployment there is. Now, Sir, so far as the collection of statistics is concerned, I must say I have a complaint against Government. Last year, we know two eminent economists, Professor Bowley and Mr. Robertson, were brought out from England to report on this question. Even after their report, Sir, no attempt

has so far been made to collect statistics of unemployment. Of course, 12 Noon. Mr. Mitchell has pointed out certain difficulties in regard to the collection of statistics. He has said that labour is not localised here, that it is not so highly specialised as it is in England, that the labourer migrates to his village and that it is very difficult, having regard to all these difficulties, to collect adequate statistics. But whether adequate or inadequate, the point that I want to raise is, “Have you tried to collect any statistics of unemployment at all ?” That is one of my chief grievances against the Government. If they had collected statistics, we might have been in a better position to implement our obligations in regard to unemployment insurance. The difficulty, therefore, is not wholly of our creation. I think, Sir, there ought to be a serious effort made to collect statistics of unemployment.

Then, Sir, it is said that in England, labour is very well organised, and that unemployment insurance started with trade unions, and that you have not got the same conditions here. But I am not asking you to take a very big step forward. I shall be satisfied with a very small step. I want a beginning to be made in the direction of unemployment insurance. The Government own certain industries in this country. They control the railways. They are the biggest employers of labour on railways. Then there are Government printing presses, Government ordnance factories and so on. Then there are the municipal and district boards, and they have got their employees. Why cannot we begin in a small way with insurance in these Government concerns ? It is possible to have statistics in regard to these Government concerns. Once we accept the principle, and once the State shows that it is a model employer, then other employers also will come in line with the Government and it will be possible for us thereafter to evolve a system of unemployment insurance.

Then, Sir, we know that we are giving some protection to industries. Why should we not make it a condition when we are giving protection to an industry that they will protect their workers also ? I am not opposed to protection for our industrialists. But if the industrialists want protection then our workers also want protection. There will be no harm in our insisting that in our protected industries at least there shall be some scheme of unemployment insurance. I would suggest that Government should reconsider their position in the case of those organised industries including plantations in which the collection of statistics is possible. Given the will, there could be a way, and that is what I would say in regard to this aspect of the Convention.

Then I come to another point, and that is, there ought to be some permanent relief works for the unemployed. You can have permanent relief works, because, as we know, we have got slum areas in our towns. These slums are a great blot on our civilisation. If you were to undertake the work of slum clearance, if you were to undertake the work of improvement of the drainage systems in urban areas, then I am sure you would be able to employ a large number of people, not merely temporarily, but permanently, because this kind of work could be spread over a number of years. It will take probably generations for us to get rid of our slums. I want therefore a beginning also to be made in this direction.

Then, Sir, I would also refer to another grievance from which the workers suffer in this country. There is, as far as I have been able to gather, no proper system of discharge allowances. That is, if any factory discharges its employees on account of rationalisation, then my suggestion would be that the

[Mr. P. N. Sapru.]

workers in the factory should be entitled to get some allowance for the number of years they have put in. Sir, human life is sacred and we ought to approach this question not merely from the point of view of £ s. d. but from the wider point of view of humanity. There is, Sir, a mysterious connection between the individual and the society, and the Government as representing the community cannot escape its responsibility for the involuntarily unemployed. The modern individual, Sir, is the product very largely of social forces, and it is for that reason that it is necessary for us to take a very firm stand in regard to this question of unemployment insurance, and for this reason, Sir, I would press my amendment.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That for the words 'that he do not ratify the Draft Convention, nor accept the Recommendation' the following be substituted, namely:

'that such steps, legislative or otherwise, may be taken for the relief of unemployment as would lead to the ratification of the Draft Convention and the acceptance of the Recommendation as soon as practicable'."

The debate will now proceed simultaneously on both the Resolution and the amendment.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Sir, I rise to support the amendment moved by my Honourable friend Mr. Sapru. Before I say anything about the subject-matter, I should like to ask a question of Mr. Mitchell. What is the constitutional effect of ratification by one House and non-ratification by the other House? We know, Sir, that in the other House, this Resolution asking that the Convention be rejected was not passed. Therefore, before I begin my speech, I should like the Honourable Member to enlighten the House on the constitutional aspect.

THE HONOURABLE THE PRESIDENT: You know very well that Resolutions are merely recommendations to the Governor General in Council.

THE HONOURABLE MR. HOSSAIN IMAM: My information was that in the case of these International Conventions, the position is that they should be ratified unless a Sovereign Legislature rejects the ratification. As we know that our Legislature is not a Sovereign Legislature, we cannot clearly direct. But as we were one of the original signatories to the Treaty of Versailles, we have therefore got a status without having a Sovereign Legislature. They have to proceed with that mockery of constitutional law. The Recommendations of International Conferences are not being satisfied because of the fact that the Legislature has not seen fit to ratify. I therefore, Sir, wish the Honourable Member to enlighten us on this point.

THE HONOURABLE MR. D. G. MITCHELL: I am afraid I can give no answer to these legal conundrums off-hand. But I understand that ratification or rejection has to be done by the Legislature, which I take will be the Legislature as a whole. What happened in the lower House is that it refused not to ratify, but has not ratified. The lower House has spoken with a very halting voice and it remains to be seen how this House will speak.

THE HONOURABLE MR. HOSSAIN IMAM: I thought that the Government had taken legal advice from international lawyers and would be able to tell us what would be the net result?

* Speech not corrected by the Honourable Member.

Now, Sir, coming to the merits of the amendment, we find in this book that in the recommendation concerning unemployment insurance and various forms of relief for the unemployed, specific mention is made on page 32 that in countries where compulsory insurance against unemployment is not in operation steps should be taken to create such a system as soon as possible. This means that the International Convention realised the position that there are countries which have not got unemployment insurance, whose financial situation does not allow them to introduce unemployment insurance on a full scale in a short space of time. Therefore they recommended as an original proposition that those countries should not be bound to accept the full scheme but they should take steps to introduce it as soon as possible. The amendment which my friend has moved is also on the same lines. It gives the Government perfect latitude not to ratify the Convention at the present moment but in the meantime to take steps which would make its ratification easy. The Government has given us all sympathy in this matter but they have not taken any concrete step to bring that day nearer. Sir, in this the greatest defect or rather inability from which the Department of Industries and Labour suffers arises out of the fact that there are no statistics and it is difficult to define "employment". In that connection I find that the Convention itself has given perfect latitude to individual countries in Article 2 where it is said this Convention applies to all persons habitually employed for wages or salaries, and then they have enumerated the kind of persons who may be exempted from its application. Part (e) which is of special importance in this connection exempts workers whose employment is of a seasonal character and the season is normally of less than six months' duration and they are not ordinarily employed during the remainder of the year in other employments covered by this Convention. As my Honourable friend Mr. Sapru said, where there is a will there is a way. But if the Government do not wish to do anything, of course they can find any number of excuses. Then, Sir, the Honourable Sir Frank Noyce stated that while it may be that there were 300,000 people less employed in the year 1933 than in 1928, it was important to remember that there was the ordinary wastage in the interval that would reduce the number. Therefore, Sir, if the number of those employed in industries is so small and other people are exempted according to Article 2, for instance, domestic servants, workers in posts of a permanent character, workers of small age and all those employed in agriculture and other things—if these are exempted, then if we had insurance for industrial workers we would have to provide relief for about 250,000 men a day. Now, the question arises whether it is a practical proposition for the Government of India to tackle or whether it is too big for them? Whenever it comes to counting the cost of nation-building departments or of spending money on those who have not, the Government is always frightened by the bogey of excessive expenditure. But when it comes to expenditure on account of employing big-salaried men, men drawing four or five or eight thousand rupees a month as, for instance, the creation of five or six berths on Rs. 6,000 to Rs. 8,000 as new Governorships for the new provinces, and the creation in these provinces of several new posts on Rs. 3,000 or more, they are not backward in finding the money. They go on creating high-salaried posts *ad infinitum*. But when it comes to providing, what I admit is a big sum, say Rs. 5 a month for 250,000 men, then they have no money. Then also it is not realised that part of this expenditure would come from those people themselves, I mean the workers will have to make a contribution and the employers will have to make a contribution. It is only when this is insufficient to cover the total cost that the balance has to be made up by the Government. Further, Sir, a fact which cannot be lost sight of is that at the present moment the unemployed can be either com.

[Mr. Hossain Imam.]

Pulsorily insured or we might have under Articles 1, 2 and 3 a voluntary insurance scheme which would ensure the starting of an experimental measure in which it will not be compulsory for the Government to insure all the workers employed in industry. The scheme might be on an entirely voluntary basis. Only the people who desire to join it would do so, and the burden on the taxpayers and the Government will be reduced to a minimum. If we are sure and if, as the circumstances seem to assure us, the period of depression is on the wane and we are embarking on an era of partial prosperity, the cost of such a scheme would be small. Therefore, Sir, it was quite feasible for the Government to start a voluntary insurance scheme restricted to industrial labourers employed for more than six months continuously in industry. There is nothing abnormal or difficult about it. It is a perfectly feasible scheme. All that it wants is the will to establish unemployment insurance. What we want is a Lloyd George in the Cabinet. If they had not had Lloyd George in the Cabinet they would not have had this unemployment insurance even in England. Therefore it only wants a man of imagination and nothing more. We know that imagination is at a discount in our Cabinet at the present moment, and so we cannot but allow these questions to take their natural course. The Honourable the Finance Member has himself said that he does not want imaginative finance.

Now, Sir, coming to the wording of the amendment, it ought to be taken into consideration that it is on a par with and in consonance with the Resolution passed in the other place. The other House has neither ratified nor approved of the Convention. I am therefore very much afraid that if we do not ratify the Convention a big constitutional issue will arise as to what is to happen when the two Houses are in disagreement, whether it is not necessary to hold a joint session of the two Houses. It would have been better for the Government to have waited for a legal opinion on this question rather than bring it forward in this form in this House.

Sir, with these words I support the amendment of my Honourable colleague.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, I feel I cannot give a silent vote on a Motion of very vital importance to the industrial workers of the country. India is one of the eight chief industrial countries of the world and in spite of that, industrial workers in India form only an insignificant portion of the whole manual workers of India. We had the welcome information from the Honourable Mr. Mitchell the other day in dealing with the question of unemployment that we have only 300,000 unemployed among the industrial workers. That is the impression that I formed—

THE HONOURABLE MR. D. G. MITCHELL : Honourable Sir, there seems to be some misapprehension about these figures that I gave. I said in factories, mines and railways, there had been a reduction since 1931, a reduction in those people registered as being employed, from 2½ million to 2,200,000. It is quite another thing to say that there are now 300,000 people unemployed who otherwise would be working in these industries.

THE HONOURABLE MR. P. C. D. CHARI : That is enough for my purpose. That shows the extent of unemployment among industrial workers is very small when compared to the gigantic proportions to which unemployment has reached in other walks of life. India industrially has not suffered to the extent to which highly organised industrial countries have suffered. That being

the case, the present will be a very favourable opportunity to consider seriously whether the system of unemployment insurance can be introduced in India. If it can be introduced at all, this will be a very good opportunity of introducing it. In my opinion and in the opinion of all people who have thought about this subject the salvation of India lies in further industrialisation. That being so, the workers who are employed in industry is a small fraction of the entire working population, and if there is unemployment among industrial workers that means that the skill—whatever the extent of the skill may be, they may be semi-skilled or highly skilled—the skill that has been acquired in the course of employment by these people is likely to be wasted in view of what we have heard from the Honourable the Secretary for Labour. If unemployed industrial workers have no means to fall back upon and there is no prospect of employment for them in the near future, there is the danger of their going back to their villages. Thus the skill which has been acquired by these people is likely to be lost in the arid sands of village penury. In view of the future industrialisation of India and the interest we have at heart of further industrialising the country, it is our bounden duty to see that this industrial energy of the workers which has been acquired is not lost at all. From that point of view the value to India of the industrial skill of these unemployed is very high when compared to the value to be set upon them in other industrial areas like Great Britain where they may have plenty of specialised workers. Under these circumstances I would request you to consider very seriously this problem whether it is wise after all to allow this acquired skill to be wasted. I for one would not be in favour of wasting the energy and the skill acquired by any worker ; it is too valuable to be allowed to waste. My second point is that this Convention has been so drafted by the collective wisdom of the world consisting of representatives both of workers and of the employers and this Convention represents the minimum which the employers and the representatives of workers could agree upon having regard to the interests of both the workers and the employers. I find from a perusal of this report that this Convention was adopted by 80 votes to eight and the Recommendation by 72 votes to 19. Then there were as many as 16 sessions during which this Convention was considered. There seems to have been a full and a very exhaustive inquiry preceding the adopting of this Convention and the wording of the Resolution, a portion of which has been read out to you by the Honourable Mr. Hossain Imam, shows that they have taken into consideration every conceivable difficulty which may necessitate exemptions in various cases and which will be necessary if the Convention is adopted, whatever may be the stage of development of the country. You will find various exemptions made from (a) to (j) in the matter of making allowances for exceptional conditions prevailing in various countries and I would also invite your attention to this fact that this Convention, if adopted, would not apply to seamen, fishermen and agricultural workers, who form the bulk of the workers in this country. If this Convention is adopted, it will be workable in this country ; the fact that we have no accurate statistics need not deter us in this matter. If the Government is only inclined to collect it in the case of these industrial workers, it can be done. It may be very difficult to collect statistics of unemployed throughout the country. In the case of industrial areas, we know these industries are confined to particular places and it is not very difficult at all to collect the necessary statistics. The other reasons given for not adopting this Convention seem to my mind to be those very causes which would appeal to one to see that unemployment insurance for industrial workers is adopted. It is said that these labourers go to the villages when there is no work. If there is a system of unemployment benefit, then it is not likely that these industrial workers will go back to the villages. It is said that it is not

[Mr. P. C. D. Chari.]

an easy matter to get the addresses of these unemployed. It is not very difficult to get the addresses of these people from the registers. If they come to know that there is some benefit to be derived if they give their addresses, I can assure the Honourable Mr. Mitchell that not a single one of these industrial workers will leave the place without giving a proper address, which could be reached in 24 hours. They may be illiterate, but the skill even of an illiterate is valuable and the fact that they are illiterate need not stand in the way. That is an additional reason for giving this allowance because it is likely to remove illiteracy among these industrial workers. After all, looking at it from the point of view of finance, the position is not at all difficult. There will be contributions, if a voluntary scheme is adopted, by the worker and by the employer and the Government will have to find only a very small amount to finance a scheme like this. I therefore, Sir, cannot see any reason why we should say that we should not adopt this Convention. On the other hand, there are very cogent reasons for ratifying this Convention by this House. One other thing which impresses me is this. The other House refused to adopt this cowardly policy of wait and see or the policy of shelving the question. That means they want to tackle this problem which is urgent in view of the importance to India of these industrial workers. Therefore, Sir, I am very strongly opposed to the original Motion made by the Honourable Secretary for Labour.

Coming to the amendment, Sir, the amendment seeks to put off this question of unemployment insurance for a time. I would not mind the delay if the Government would take any steps for the relief of unemployment before this Resolution for ratification is brought before the House. The question of unemployment is a burning problem of the day and is becoming more and more serious and I would urge upon the Government that if they do not want to ratify the Convention, let them at least show that they are taking steps which are recommended by a Resolution like this, to create the conditions which will ensure its ratification as early as possible. If the Government would assure me that they are really taking steps with a view to creating these conditions which would admit of the ratification of this Convention, I will be satisfied. Otherwise, Sir, I must oppose the original Motion as it stands.

THE HONOURABLE MR. D. G. MITCHELL : Mr. President, a few days ago we had a long and very interesting debate on the general subject of unemployment during which all the Honourable Members who spoke today spoke at considerable length. In spite of the blandishments of the Honourable mover of this amendment, I decline to be drawn again from the straight path of my present Resolution into the very wide path of this general discussion. The point before us is whether we should refuse to ratify this Convention or not and beyond that I decline to stray.

The Honourable Mr. Sapru blamed the Government of India because there are no statistics of unemployment available. That was not quite my point. I admit there are no statistics available but my chief point was that, try how we may, we never will get statistics under present conditions on which any reliance whatever could be placed. The things of which we are asked to collect statistics are things which are not measurable. As I have already pointed out, we are asked to collect statistics of the unemployed, and we do not know when a man is employed or when he is unemployed. The Honourable Mr. Sapru too urges Government to start these schemes of insurance benefits in its own presses, railways and so forth. Now that, Sir, is urging

Government to start a scheme of this sort precisely where it is not needed. These are all Government services which are all adequately protected by leave allowances, provident funds and so forth. It would be an insult to the poorer people of India to start this special scheme for the benefit of Government services when the poorer factory labourers are still living unprotected. There would be no point in doing this. It would be an experiment of no value and would merely accentuate existing differences of service.

THE HONOURABLE MR. P. N. SAPRU : I said also organise protected industries.

THE HONOURABLE MR. D. G. MITCHELL : That, Sir, is a question we dealt with on the last Resolution. Again, the protection of labour and the protection of industry are two entirely different things. I do not see why sugar factories should be on any other footing than factories which are not protected. If there is anything differentiating them from any other factories, I should say that in sugar factories you would probably find that the very difficulties of which I am complaining exist in a more acute form. Labour would be quite indeterminate and quite an impossible subject for the collection of accurate statistics.

The Honourable Mr. Hossain Imam complained of a general lack of imagination. If he had only been able to listen to his own speech, I am sure his complaint would not have been quite so strong. He wants us to start a voluntary scheme and he says that under a voluntary scheme the contribution of Government would be very little. He seems to think that I have been advocating the non-ratification of this Convention on the ground of expense. That, I think, was a point which I mentioned but on which I laid no great stress. But in any case, I would mention to him that in any voluntary scheme the expense to Government would be considerable. At present, in England, I understand the total contribution for a man is 2s. 6d., of which the employee pays 9d., the employer pays 9d., and the State pays a shilling. That secures the man an allowance of 17s. a week while he is unemployed. I would just draw attention to these figures as the Honourable gentlemen have been inclined to flout this question of expense. The expense would be considerable not only to Government but also to those themselves engaged and under a voluntary scheme the expenses would be very considerable indeed. Even 9d. to secure 17s. is, roughly speaking, 5 per cent. of the allowance. If you took Rs.10 as a reasonable allowance for a man in India, he would have to pay about 8 annas a month. Well, in regard to that, a scheme was tried in Kewra in the Salt Mines,—I think it was in connection with a medical insurance. It involved the payment of half an anna in the rupee and amounted roughly to 10 annas per head amongst the men. Practically with one unanimous voice the workers refused to have anything to do with it.

The Honourable Mr. Chari spoke very hopefully about the collection of statistics, as being easy once the system of benefits is introduced. He argued that people would not go back to the villages but would stay on in towns and receive the dole. Does the Honourable Mr. Chari really think that this is sound economics? Would he rather that these men stayed on in the slums of towns and drew a petty dole than that they went back and did their best for their land?

THE HONOURABLE MR. P. C. D. CHARI : They would wait until they were absorbed in the towns.

THE HONOURABLE MR. D. G. MITCHELL : They could wait equally well in the villages. They would very quickly know in the villages if there is work going in the factories. Mr. Chari and Mr. Sapru asked Government to organise industries, to create conditions whereby this insurance scheme would be popular.

THE HONOURABLE MR. P. C. D. CHARI : My point was that if industries were created they would be able to use up all these unemployed.

THE HONOURABLE MR. D. G. MITCHELL : If industries are created on a localised and organised basis, I have no doubt Government would take up again the question of this unemployment insurance scheme. To ask Government, or any Government, to create those conditions by governmental action is to ask it to work miracles. The simple question before the House is not the measures which Government is to take to relieve unemployment but the question whether we should ratify this Convention or not. I say there is no doubt that conditions in India would not justify us in ratifying this Convention and do not justify us in putting off making a decision on this point. I ask the House to reject the amendment.

THE HONOURABLE THE PRESIDENT : Resolution moved :

“That this Council, having considered the Draft Convention ensuring benefit or allowances to the involuntarily unemployed, and the Recommendation concerning unemployment insurance and various forms of relief for the unemployed, adopted by the International Labour Conference at its Eighteenth Session., recommends to the Governor General in Council that he do not ratify the Draft Convention, nor accept the Recommendation”.

To which an amendment has been moved :

“That for the words ‘that he do not ratify the Draft Convention, nor accept the Recommendation’ the following be substituted, namely :

‘that such steps, legislative or otherwise, may be taken for the relief of unemployment as would lead to the ratification of the Draft Convention and the acceptance of the Recommendation as soon as practicable’.”

The Question is :

“That this amendment be adopted.”

The Council divided :

AYES—8.

Banerjee, The Honourable Mr. Jagadish Chandra.
Chari, The Honourable Mr. P. C. D.
Gounder, The Honourable Mr. V. C.
Vellingiri.
Hossain Imam, The Honourable Mr.

Kalikar, The Honourable Mr. V. V.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Sapru, The Honourable Mr. P. N.
Suhrawardy, The Honourable Mr. Mahmood.

NOES—26.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.
Basu, The Honourable Mr. Bijay Kumar.
Buta Singh, The Honourable Sardar.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Ghosal, The Honourable Mr. Jyotsnath.
Gladstone, The Honourable Mr. S. D.
Glass, The Honourable Mr. J. B.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Johnson, The Honourable Mr. J. N. G.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Miller, The Honourable Mr. E.
Mitchell, The Honourable Mr. D. G.

Mitha, The Honourable Sir Suleman Cassim Haji.
Muhammad Din, The Honourable Khan Bahadur Chaudri.
Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Philip, The Honourable Mr. C. L.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Yamin Khan, The Honourable Mr. Mohammad.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT : Resolution moved :

“That this Council, having considered the Draft Convention ensuring benefit or allowances to the involuntarily unemployed, and the Recommendation concerning unemployment insurance and various forms of relief for the unemployed, adopted by the International Labour Conference at its Eighteenth Session, recommends to the Governor General in Council that he do not ratify the Draft Convention, nor accept the Recommendation”.

The Question is :

“That this Resolution be adopted.”

The Motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE MR. M. G. HALLETT : Sir, on behalf of the Honourable the Leader of the House, I ask your permission to make the following Statement of Business.

The Council, Sir, will have no further business pending the passing of Bills in another place. It is expected that the earliest Bill to be passed in the other House will be the Bill to amend the Indian Tariff Act and that that Bill will be passed by the other House on Monday next. I would suggest therefore that the Council should adjourn till Tuesday next for the laying of that Bill, on the understanding that if the Bill is not passed in the other place on Monday, a circular will be issued on the evening of Monday cancelling the meeting of this Council for the following day.

The Council then adjourned till Eleven of the Clock on Tuesday, the 26th March, 1935.

COUNCIL OF STATE.

Friday, 29th March, 1935.

The Council met in the Council Chamber of the Council House at Four of the Clock, the Honourable the President in the Chair.

MEMBER SWORN :

The Honourable Sir Bertrand Glancy, K.C.I.E., C.S.I. (Political Secretary).

QUESTIONS AND ANSWERS.

METHOD ADOPTED BY THE PUBLIC SERVICE COMMISSION AND DEPARTMENTS IN EXAMINING CANDIDATES FOR PARTICULAR POSTS.

88. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Will Government be pleased to state whether candidates examined either by the Public Service Commission or by departments themselves for recruitment for a particular class of post by a competitive test or qualifying test are given the same question paper or are they given different sets of question papers ?

(b) Are all such candidates given a particular set of questions on a particular subject on a particular date and time fixed or are the candidates for the same class of post examined on the same subject on different dates and with different sets of questions ?

THE HONOURABLE MR. D. G. MITCHELL : (a) and (b). The ordinary practice is to examine simultaneously candidates who are attempting to pass the same test and to give them the same question paper in each subject.

QUALIFYING TEST FOR APPOINTMENT AS READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

89. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Is it a fact that the qualifying test for appointment as Readers in the Government of India Press, New Delhi, was held in November last, and that all the candidates offering themselves were not examined on one particular date ? If so, why ?

(b) Is it a fact that one batch of candidates consisting only of copyholders was examined on the 10th November, 1934 and that another batch was examined two days later ?

(c) Is it a fact that the dictation paper given to the first batch was different from and much easier than the one set for the second batch ? If so, why were different question papers set and why were the candidates examined on separate dates for the same posts ?

(d) Is it a fact that the Controller of Printing and Stationery has declared the examination of the second batch held on the 12th November, 1934, as void and not the examination of the first batch held on 10th November, 1934? If so, why were one batch of examinees penalised by declaring the examination void in which they appeared?

(e) Is it a fact that the question papers leaked out before the candidates of the first batch were examined? If so, why was not the examination of the first batch also declared void?

(f) Will Government be pleased to state the procedure adopted by Government in case of a leakage of examination papers before the actual date of an examination?

(g) Who is the officer responsible for holding the examination and what are his University qualifications? Had he any previous experience of holding any such examination?

(h) Do Government propose to hold an enquiry into the matter and to hold another examination for these posts to be conducted by the Public Service Commission? If not, why not?

THE HONOURABLE MR. D. G. MITCHELL: (a) and (b). Yes. The candidates were examined in two groups because the Manager considered that there was insufficient accommodation to permit of their being examined simultaneously.

(c) I am informed that the dictation papers given to the two batches were of the same standard. As regards the second part it is obviously desirable that candidates examined on different dates should have different papers. I have already given the answer to the last part.

(d) The reply to the first part is in the negative. The latter part does not arise.

(e) There was no leakage of question papers before the examination was held. The second part does not arise.

(f) The ordinary practice is to prepare fresh question papers when those already set leak out before the examination.

(g) The examination was held by the Manager, Government of India Press, New Delhi. He has no university qualifications but is a practical printer and is competent to hold such examinations.

(h) Government see no reason for taking the action suggested by the Honourable Member.

PERIOD FOR WHICH MANAGERS, GOVERNMENT OF INDIA PRESSES, CALCUTTA, NEW DELHI, SIMLA AND ALIGARH CAN BE POSTED AT ONE STATION.

90. THE HONOURABLE MR. V. V. KALIKAR: (a) Will Government be pleased to state whether there is any limit to the period for which the Managers of the Central Government Presses, Calcutta, New Delhi, Simla and Aligarh, can be posted at one station? If not, why not?

(b) Is it a fact that the Calcutta Press is going to be abolished and that a large portion of the staff and machinery has already been transferred to the New Delhi Press?

(c) Is it a fact that the Government of India Press, New Delhi, is now a first class press?

(d) Is it a fact that all the senior Press Managers are placed in charge of smaller presses in Calcutta and Simla and that junior officers are placed in charge of the New Delhi Press? If so, why?

(e) Is it a fact that an Overseer has been appointed as Assistant Manager in the New Delhi Press in supersession of senior Assistant Managers, Messrs. Wilkins, S. C. Sen, Jawahar Khan and Khan Sahib Nuruddin? If so, why has a permanent and senior Assistant Manager not been appointed to hold charge of the duties of Assistant Manager, New Delhi Press?

(f) Is it the policy of Government to make postings according to seniority and the responsible nature of the charge?

(g) Is it a fact that serious complaints of delay and wrong printing in the New Delhi Press are being received daily?

THE HONOURABLE MR. D. G. MITCHELL: (a) No, because there is ordinarily nothing to be gained by transfers which do not involve promotion.

(b) The attention of the Honourable Member is invited to the replies given in the Legislative Assembly on the 20th September and 22nd December, 1933 to unstarred questions Nos. 122 and 372, respectively. Further staff and machinery have since been transferred from the Calcutta to the New Delhi Press.

(c) I am not sure what the Honourable Member means by a first class press.

(d) The answer to the first part is in the negative. Of the Managers of the presses in Calcutta, one is senior and the other is junior to the Manager of the New Delhi Press.

(e) No. Of the four officers mentioned, the last is not borne on the cadre of the Stationery and Printing Department; and there has been no supersession of other Assistant Managers as they would not have gained promotion by being selected for New Delhi.

(f) The most suitable officers are selected.

(g) No such complaints have been received by Government.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: On a point of order, Sir. The reply to a question given in the Assembly is put forward as the reply to a question put here. Without having those answers before us, it is not possible for Members of this House to put any supplementary questions.

THE HONOURABLE THE PRESIDENT: You are not supposed to put any supplementary question with regard to questions asked in the other House. Supplementary questions can only arise out of the replies given to questions in this House. No point of order therefore can arise.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: The reply was given in the other House.

THE HONOURABLE THE PRESIDENT: I have already given my ruling.

SUPERSESSION OF READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI, BY THEIR JUNIORS.

91. THE HONOURABLE MR. V. V. KALIKAR : (a) Is it a fact that several readers were tested by the Manager of the Government of India Press, New Delhi, for higher grade appointments and found unfit for promotion and were superseded by their juniors ?

(b) Is it also a fact that those readers who were condemned are being promoted again to the higher posts ?

THE HONOURABLE MR. D. G. MITCHELL : (a) and (b). The facts are that in October, 1934 a vacancy in a higher grade of readers occurred in the Reading Branch. The Manager was doubtful about the suitability of the seniormost reader in the next lower grade and tested him. The reader having failed to qualify, the next man in the grade was tested. He passed the test satisfactorily and was appointed to the vacant post. Subsequently a second vacancy occurred in the higher grade. The Manager again considered the suitability of the seniormost reader who was superseded in October, 1934. On this occasion he was not subjected to any test, but, as his work was reported to be satisfactory, he was promoted to the higher grade.

APPOINTMENT OF AN APPRENTICE IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI, IN THE RS. 200—10—250 GRADE.

92. THE HONOURABLE MR. V. V. KALIKAR : (a) Is it a fact that an apprentice has been appointed in the grade of Rs. 200—10—250 in the Government of India Press, New Delhi ?

(b) If the answer to part (a) is in the affirmative, will Government be pleased to state :

(i) What opportunity he had to acquire sufficient practical and theoretical knowledge to be a senior proof reader ?

(ii) Why an apprentice was appointed in preference to the junior readers ?

(c) Do Government propose to hold qualifying test examinations for promoting junior readers to higher posts in future ? If not, why not ?

THE HONOURABLE MR. D. G. MITCHELL : (a) and (b). An apprentice who is a graduate and successfully completed his course of training for five years in the Government of India Press, Calcutta, has been appointed as a senior reader as he was better qualified than readers in the lower grades to hold that post.

(c) The attention of the Honourable Member is invited to the reply given by the Honourable Sir Frank Noyce on the 14th March, 1934 to Mr. S. G. Jog's unstarred question No. 198 in the Legislative Assembly.

RESULT OF THE DEPARTMENTAL ENQUIRY HELD BY THE INSPECTOR OF POST OFFICES, JAIPUR, INTO THE COMPLAINTS MADE AGAINST THE SUB-POSTMASTER, KOTPUTLI.

93. THE HONOURABLE MR. V. V. KALIKAR : (a) Is it a fact that a departmental enquiry was held by the Inspector of Post Offices in Jaipur into complaints made by the Hindu and Muhammadan population of Kotputli against the Sub-Postmaster, Kotputli ?

(b) If the answer to part (a) is in the affirmative, will Government be pleased to state the result of the enquiry and steps taken on it ?

THE HONOURABLE MR. D. G. MITCHELL : (a) In August, 1934 some Muhammadans only of Kotputli complained of certain irregularities on the part of the sub-postmaster and a departmental enquiry was held by the Inspector of Post Offices, Jaipur.

(b) The allegations brought forward against the sub-postmaster were found to be groundless and the complainants were informed accordingly.

DUTIES OF THE ARMY IN INDIA IN CASE OF ATTACK.

94. THE HONOURABLE MR. HOSSAIN IMAM : Will Government kindly state the following facts about the Army in India :

(a) What are the duties of the army if a first class power attacks India alone, or if it helps a third class power to attack ?

(b) For what length of time will the army have to fight alone and when can India expect reinforcements from the Empire ?

(c) Who has laid down the duties of the army in case of different types of attacks, and when were they last revised ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) To resist such attacks until the arrival of imperial reinforcements.

(b) It would obviously not be in the public interest to give this information.

(c) As Commander-in-Chief I am responsible for allotting to the various parts of the army their duties in the event of war ; and, in accordance with my orders, the plans of operations to meet different contingencies are kept under constant review.

PERIOD OF SERVICE IN THE VARIOUS ARMS OF THE INDIAN ARMY.

95. THE HONOURABLE MR. HOSSAIN IMAM : Will Government kindly state the period of service in different arms of the Indian Army ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The great majority of the personnel of all the combatant arms enlist for a minimum period of service of seven years with the colours and for a combined period of colour and reserve service of 15 years. Details of the periods for which other personnel enlist are given in paragraph 128 of Regulations for the Army in India, a copy of which the Honourable Member will find in the Library.

RECRUITING AREAS AND CASTES WHO JOINED THE INDIAN ARMY IN 1932.

96. THE HONOURABLE MR. HOSSAIN IMAM : Will Government kindly lay on the table a statement showing the recruitment areas and the castes of the men who joined the Indian Army in 1932 ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I lay on the table a statement containing the required information.

Statement showing the numbers by classes recruited in various provinces for the period 1st April, 1932 to 31st March, 1933.

Classes.	North-West Frontier Province.	Punjab and Delhi.	United Provinces.	Rajputana and Central India.	Bombay Presidency.	Madras Presidency.	Burma.	Nepal.	Total.
Pathans	1,208	5,593	234	405	..	..	..	..	1,208
Punjabi Musalmans	..	2,877	374	..	..	..	..	..	5,593
Sikhs	..	1,804	..	..	..	..	..	..	2,877
Dogras	..	244	..	..	..	..	..	..	1,804
Hindu Rajputs	..	827	..	441	..	..	..	..	883
Kumaonis	..	101	..	70	..	..	..	..	374
Hindu Jats	..	205	22	23	..	..	..	..	1,268
Gujars, Hindu	..	195	..	9	..	..	..	..	171
Ahirs	..	84	97	11	281	..	..	..	250
Ranghars	..	475	57	116	..	..	..	..	204
Hindustani Musalmans	..	20	66	..	..	..	..	..	181
Hindus	..	10	1	..	..	136	..	..	824
Rajputana Musalmans	..	1	..	..	775	..	..	..	136
Brahmans	..	..	..	..	26	..	..	..	76
Christians	..	..	..	..	26	..	..	..	139
Mahrattas	..	..	..	..	..	44	..	..	775
Deccani Musalmans	..	..	..	..	..	352	..	..	26
Madras Musalmans	..	..	..	..	..	..	..	1,968	70
Madras classes	..	..	..	..	..	..	..	..	352
Gurkhas	..	..	..	..	..	..	..	..	1,968
Garhwalis	..	..	..	..	..	..	..	..	462
Burmese classes	..	..	..	..	..	..	263	..	263

BASIS OF CALCULATION ADOPTED BY HIS MAJESTY'S GOVERNMENT IN FIXING THE CONTRIBUTION OF RS. 2 CRORES TOWARDS THE COST OF THE DEFENCE OF INDIA.

97. THE HONOURABLE MR. HOSSAIN IMAM: Will Government kindly state how the contribution of Rs. 2,00,00,000 by His Majesty's Government was fixed? What was the basis of calculation in fixing this sum? Did the Government of India accept this sum in full settlement of all their demands? If so, on what date?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Rs. 2 crores was the figure at which His Majesty's Government at the time assessed the value of the two grounds on which the Capitation Rate Tribunal recommended that a contribution should be paid towards the cost of the Defence of India, namely:

- (1) The preparedness of the Army in India to take the field, and
- (2) The uniqueness of India as a training ground.

The Tribunal left it to His Majesty's Government to fix the amount of the contribution, and the Government of India's agreement to accept the recommendations of the Tribunal carried with it their acceptance of the decision of His Majesty's Government as to the amount of the contribution.

EXCISE DUTY COLLECTED ON SUGAR, MATCHES, AND STEEL.

98. THE HONOURABLE MR. HOSSAIN IMAM: Will Government kindly state the amount of excise duty collected in the third quarter of this year from sugar, matches and steel?

THE HONOURABLE MR. P. C. TALLENTS: Sugar Rs. 17,27,000, matches Rs. 58,78,000 (approximately), and steel ingots Rs. 2,84,000.

CUSTOMS DUTY COLLECTED ON GOODS CHARGEABLE UNDER ITEM NO. 63 IN THE FIRST SCHEDULE TO ACT XXXII OF 1934 DURING THE THIRD QUARTER OF THE LAST THREE YEARS.

99. THE HONOURABLE MR. HOSSAIN IMAM: What was the amount of customs duty collected on goods chargeable under Item No. 63 in the First Schedule to Act XXXII of 1934 during the third quarter of the last three years?

THE HONOURABLE MR. P. C. TALLENTS: The duty collected during the third quarter of the financial year was Rs. 1,304 in 1932, Rs. 1,486 in 1933 and Rs. 1,122 in 1934.

AMOUNT DEBITED TO THE HEAD "REDUCTION AND AVOIDANCE OF DEBT" AND NET EXCESS EXPENDITURE OVER INCOME DURING THE 1ST APRIL, 1927 TO 31ST MARCH, 1934.

100. THE HONOURABLE MR. HOSSAIN IMAM: Will Government kindly give the following information:

(a) The amount debited to the head "Reduction and Avoidance of Debt" and the net excess of expenditure over income (revenue account) during the period 1st April, 1927 to 31st March, 1934?

(b) The amount of liabilities of Government uncovered by assets on the 31st March, 1927 and 31st March, 1934.

(c) How is the discrepancy, if any, accounted for?

THE HONOURABLE MR. P. C. TALLENTS: (a) and (b). I would invite the attention of the Honourable Member to paragraph I and Appendix II of my Explanatory Memorandum on the Budget for 1935-36.

(c) I regret I do not understand this part. If the Honourable Member will explain to me outside the House what is the exact information he requires I shall be pleased to furnish it to him.

PROPORTION FIXED FOR MUSLIMS AND OTHER MINORITIES IN EACH PROVINCE
IN CERTAIN DEPARTMENTS.

101. THE HONOURABLE MR. HOSSAIN IMAM: Will Government kindly lay on the table a statement giving the following information:

(a) The proportion fixed for Muslim recruitment in different provinces for railways, posts and telegraphs, income-tax, customs, salt and excise, and the army.

(b) The proportion fixed for the minorities in each province for every department.

THE HONOURABLE MR. M. G. HALLETT: As regards railways, I would refer the Honourable Member to the Railway Department (Railway Board letters Nos. E.-34-C. M.-113, dated the 12th December, 1934, copies of which will be found in the Library of the House. As to the other locally recruited civil services, Government are preparing the necessary schemes in accordance with the principles laid down in section IV of their Resolution of the 4th July, 1934 regarding communal representation, but are not yet in a position to lay any statement on the table.

There is no fixed proportion for Muslim, or for any other recruitment on a communal basis, in the army.

The class composition of the army is decided solely in the interest of efficiency and in an endeavour to make the best possible use of the best available material.

NUMBER OF POSTAL DIVISIONS AND HEAD OFFICES IN ASSAM.

102. THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA: (a) Is it a fact that Assam has got three postal divisions with nine head offices?

(b) Is it also a fact that Sind and Baluchistan with three postal divisions and four head offices have got a separate circle?

(c) Will Government be pleased to state whether the Pasricha Committee have recommended a separate circle for Assam also?

(d) Do Government propose to create a separate circle for Assam on the lines of Sind and Baluchistan? If not, why not?

THE HONOURABLE MR. D. G. MITCHELL: (a), (b) and (c). The replies are in the affirmative.

(d) The recommendation made by the Postal Enquiry Committee will be considered with its other recommendations in due course.

ARCHAEOLOGICAL EXCAVATION IN ASSAM.

103. THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA: (a) Was it revealed in the Indian Archaeological Department's Annual Report for 1928-29 that Assam has not received as much of the Department's attention as she actually deserves?

(b) Will Government be pleased to state whether any archaeological excavation has ever been made in the province? And if so, when?

(c) Is it a fact that there have been found many valuable and interesting materials year after year under the auspices of the Assam Historical and Antiquarian Society?

(d) Is it a fact that the Assam Historical and Antiquarian Society has been greatly handicapped for want of funds?

(e) Does the Indian Archaeological Department now propose to do some exploration and excavation work in Assam?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:

(a) No.

(b) Archaeological excavations were undertaken at Dah Parbatia near Tezpur in 1924-25.

(c) and (d). Government have no information.

(e) Government regret that in the present financial conditions it is not possible for the Archaeological Department to extend its activities.

PURCHASES OF QUININE BY PROVINCES AND STOCKS OF QUININE AND
CHINCHONA BARK.

104. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: (a) Will Government be pleased to state the amount of quinine purchased by provincial Governments during 1933-34?

(b) Is it a fact that one provincial Government obtained its supply from other than Government sources?

(c) Was any quinine disposed of to a foreign agency? If so, in what quantity and at what rate?

(d) What was the quantity of quinine and cinchona bark in stock on the 31st March, 1934, as compared with the same date in 1933?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: (a) 12,437 lbs. were sold to provinces from the Government of India stock.

(b) Yes, under a misapprehension of the standing orders; but it appears that the supply was not delivered until after the close of the year 1933-34.

(c) The answer to the first part is in the negative. The second does not arise.

(d) Quinine 249,284 lbs. and cinchona bark 622,317 lbs. as against 282,758 lbs. and 735,071 lbs. respectively on the 31st March, 1933.

SALE OF QUININE.

105. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Will Government be pleased to state whether the sale of quinine through post offices has been continued during the current year? Were any further measures adopted to popularise its sale?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: The answer to the first part of the question is in the affirmative. The matter referred to in the second part is a provincial matter as Public Health is a transferred subject.

SUPPLY OF FREE QUININE TO THE RURAL POPULATION.

106. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Will Government be pleased to state whether it is proposed to allocate any sum from the provision of rupees one crore made in the budget for rural development, for the supply of free quinine to the rural population?

THE HONOURABLE MR. P. C. TALLENTS: Apart from the very general conditions referred to in the budget speech the Government of India do not wish to fetter the discretion of provincial Governments in submitting schemes for approval.

UTILITY OF TOTAQUINA AND OTHER DERIVATIVES IN THE TREATMENT OF MALARIA.

107. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: (a) Will Government be pleased to state whether the investigations upon the utility of totaquina in the treatment of malaria conducted by the Department of Malarial Survey have been completed?

(b) When will the report be released for the information of the medical profession?

(c) Have similar investigations been undertaken to test the value of plasmochin, atebrin and other derivatives in relation to the rational treatment of malaria under Indian conditions?

(d) Will Government be pleased to state whether the use of totaquina has been popularised in the Madras Presidency?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: (a) Yes.

(b) The report will be published in the Records of the Malaria Survey of India within the next few weeks.

(c) (i) Investigations into the value of plasmaquine were carried out by the Quinine and Malaria enquiry under the Indian Research Fund Association from 1927 to 1930. The results of this work were published in the Indian Journal of Medical Research, Volume XVI, pages 159—177 and Volume XVII, pages 793—814, and summarised in the Indian Medical Gazette Volume LXV, No. 11. The results of these investigations have since been adapted to the routine treatment of malaria among both British and Indian troops, and various papers and notes on the efficacy of such treatment have appeared in the Journal of the Royal Army Medical Corps and in the annual reports on the health of the Army in India in recent years. The volumes of the Indian Journal of Medical Research to which reference has been made and the annual reports on the health of the Army in India (published as Volume II of the annual reports of the Public Health Commissioner with the Government of India) are available in the Imperial Secretariat Library. A copy of the Indian Medical Gazette, Volume LXV, No. 11 has been placed in the Library of the House. The Journal of the Royal Army Medical Corps can be obtained on loan from the Office of the Director General, Indian Medical Service.

(c) (ii) Atebrin has been used at the Malarial Treatment Centre of the Indian Research Fund Association and is being given an extensive trial by the medical officers of the Army Department.

(d) Totaquina is being manufactured and tried in the Madras presidency.

INTEREST ACCRUING TO MUHAMMADANS ON THE WAR LOAN AND OTHER BONDS ISSUED BY GOVERNMENT.

108. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: (a) Is it a fact that the Mussalmans did not charge any interest on the War Loan and different Bonds issued by Government?

(b) If the answer to (a) is in the affirmative, what is the amount of such interest not paid by Government?

(c) To what sum has it now accumulated?

(d) Is Government calculating any interest on the sum so accumulated?

(e) Has any demand ever been made by the Muslim community to spend this amount for Muslim purposes?

(f) If so, what reply did Government give?

(g) What does Government propose to do with this money?

THE HONOURABLE MR. P. C. TALLENTS: (a) to (d). The Honourable Member is referred to the reply given by Mr. Taylor to the Honourable Mr. Hossain Imam's question No. 44 on the 18th February, 1933.

(e) Yes.

(f) and (g). The Honourable Member is referred to the reply given by Mr. Brayne to the Honourable Sir Ebrahim Haroon Jaffar's question No. 118 on the 12th September, 1927, and to the reply given by Sir George Schuster to question No. 69 by Khan Bahadur H. M. Wilayatullah in the Legislative Assembly on the 27th January, 1932.

NEW ELECTIONS TO THE COUNCIL OF STATE.

109. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Will Government be pleased to state whether Council of State elections will be held this year or there will be an extension in the life of the present Council.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: The Honourable Member is referred to my reply to the Honourable Mr. Hossain Imam's question No. 29 asked on the 11th February, 1935.

PREFERENTIAL TREATMENT ACCORDED TO ANGLO-INDIANS IN THE OFFICE OF THE DIRECTOR OF CIVIL AVIATION.

110. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: (a) Is it a fact that preferential treatment has been accorded to Anglo-Indians in the matter of recruitment to the ministerial staff in the Office of the Director of Civil Aviation in India?

(b) Is it a fact that all high paid appointments are at present held by Anglo-Indians and that applications are being entertained from Anglo-Indians for the post of a gazetted superintendent?

THE HONOURABLE MR. D. G. MITCHELL: (a) No.

(b) No. Applications for the additional post of Gazetted Superintendent are being entertained from members of all communities.

PERCENTAGE OF HINDUS IN THE OFFICE OF THE DIRECTOR OF CIVIL AVIATION.

111. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: (a) Will Government be pleased to state the percentage of Hindus in the Civil Aviation Office ministerial staff on 1st March, 1932, 1st March, 1933, 1st March, 1934 and 1st March, 1935? If there has been a decrease in the percentage of that community what, besides the reservation of 33 per cent. posts for minority communities, are the reasons for the decrease?

(b) Is it a fact that Government intend to recruit a few more secretariat men in the Civil Aviation Office? If so, do Government propose to abstain from further reductions in the percentage of Hindus in the Office?

THE HONOURABLE MR. D. G. MITCHELL: (a) The information asked for by the Honourable Member is as follows:

1st March, 1932.		60 per cent.
1st March, 1933.		64.3 „
1st March, 1934.		60.6 „
1st March, 1935.		67.3 „

There has been, therefore, no decrease in the percentage of Hindus. These figures refer to permanent staff only.

(b) The answer to the first part is in the affirmative. The second part does not arise.

COMMUNAL COMPOSITION OF THE MINISTERIAL STAFF EMPLOYED IN THE OFFICE OF THE DIRECTOR OF CIVIL AVIATION.

112. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Will Government please state the communal composition of the ministerial staff employed in the Civil Aviation Office on 1st March, 1935, including permanent and temporary posts?

(b) Is it a fact that the percentage and number of Muslims is far lower than that of Anglo-Indians?

(c) Is it a fact that the Civil Aviation Office was constituted in 1927 and has recently been expanded?

(d) Is it a fact that Government orders are to the effect that Muslims should form the majority amongst the minority communities and that 25 per cent. posts should be reserved for Muslims in connection with recruitment?

(e) Is it a fact that the Anglo-Indian community has received preferential treatment in the matter of recruitment in that Office over Muslims?

(f) Is it a fact that there is no Muslim in the senior ranks of the Civil Aviation Office?

(g) How many Anglo-Indian lady clerks are employed in the office?

(h) Is it a fact that there are three gazetted ministerial posts in the Civil Aviation Office and that two thereof are held by Anglo-Indians?

(i) Is it a fact that it is proposed to recruit a man to fill up the third gazetted post and that applications are being entertained from Anglo-Indians for this post?

(j) Do Government propose to consider the possibility of recruiting a Muslim for this post?

(k) Is it a fact that Mr. A. G. Clow, the then Secretary, ordered on a previous occasion that claims of all minority communities should be given due weight and that recruitment of members of the Anglo-Indian community should be suspended? Do these orders still hold good?

THE HONOURABLE MR. D. G. MITCHELL: (a) The communal composition of the ministerial staff (including permanent and temporary) employed in the Civil Aviation Office on the 1st March, 1935 was as follows:

Hindus		31
Muslims		8
Europeans and Anglo-Indians		7
Sikhs		2
Indian Christians		2

(b) No. It is higher.

(c) Yes.

(d) Yes.

(e) No.

(f) No. There is at present one Muslim Assistant in that office. Another Muslim who held a senior position, would have now been holding the post of a permanent Superintendent if he had not sought employment elsewhere. The appointment of members of the Muslim community to certain other senior posts of Assistant recently sanctioned for that office is under consideration by the Director of Civil Aviation.

(g) Three, of whom two are temporary.

(h) to (j). There are two gazetted posts of Secretariat Superintendent in the Civil Aviation Office one of which is held by an Anglo-Indian. Applications to fill the second post have been invited from members of all communities.

(k) No such order can be traced.

VALEDICTORY SPEECHES IN CONNECTION WITH THE RETIREMENT OF THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN.

THE HONOURABLE THE PRESIDENT: The Honourable Sir Fazl-i-Husain, I have specially called today's meeting in order to bid you an affectionate farewell on the eve of your retirement from this Council. I assure you that it is with feelings of regret and sorrow that the Honourable Members of my Council part from you on this occasion. Many of the Honourable Members of this Council have known you for several years, first when you had the good fortune to serve in your own province in the Punjab Legislative Council and later on when you were appointed a temporary Member of the Governor General's Executive Council and to this House. You came to this House

[Mr. President.]

well equipped with the knowledge and experience you had gained in your province where you for the first time had the occasion to enter the Council in 1920 and later on on two distinct occasions you were elected unopposed to that Council. You had the good fortune to serve twice as a Minister in the Punjab and later on as the Revenue Member of the Executive Council of that province. We came in contact for the first time with you in a more concrete manner when you joined on two occasions this Council as a temporary Member and then the opinion and expectation we entertained that you will soon prove a very useful Member of this Council has been amply justified and more than fulfilled. (Applause.) You have been since your appointment in this House the Leader of this Council. The duties and responsibilities now-a-days of the Leader of a House in the Indian Legislature certainly is no bed of roses. A Leader has to confront many a disagreeable task; he has to incur displeasure and incur obloquy at times and the disapproval of Honourable Members is so frequent who on occasions disagree with him. But in your case it may be safely said that in the execution and in the performance of your duties you have brought to bear rare tact, skill, persuasive powers and manners and masterly ability. (Applause.) Often in this House most acrimonious discussions have taken place and we have seen you ultimately winding up the debates with a grace and with a conciliatory manner which has commanded the respect and attention of this House.

You were also in your official capacity as Education and Revenue Member called upon to go to South Africa to lead the Indo-South African Conference of 1932. Your acumen there and the success which you attained there are now matters of history and common knowledge. I have no doubt that everyone in this Council hopes that in your retirement you will always bear in mind the five happy years that you have spent in this Council, and you may take it from me that this House will also remember with gratitude the services rendered by you in this Council. (Applause.) On behalf of my Council and myself I wish you in your retirement well-earned rest and all manner of happiness and hope that you may yet be spared for many years to do good work in other walks of life and in other spheres of activities and to continue to give to this country the services which you have so long vigorously and faithfully rendered.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, on the occasion of farewell it is but right that I on behalf of my party should say how sorry we are to have to bid farewell to the Honourable Sir Fazl-i-Husain the Leader of our House. If during the five years that he has been with us the Council has not been able to achieve much in the popular sense the fault lies with the Constitution rather than with those who influence its working. Whether one agrees with Sir Fazli or not—and we on this side have several times differed from him—the fact remains that the Leader of our House possesses political gifts of a high order and have used them for the promotion of whatever ideals he believed in. His departure will be a definite loss to the Government of India, where his experience has been of great value. I hope Sir Fazl-i-Husain enjoys a well deserved eminence. It may be permissible to express the hope that his five years' association with the central Legislature will enable him to bring to bear on public problems the all-India outlook, which alone would conduce to a better development of national life. His recent speech in the other House proves how well he has fought for the Indians overseas though without success. But where there is a will there is a way. His efforts will not be wasted. He has given a great impetus to agricultural research.

The portfolio of the Member in Charge of Education, Health and Lands is a crowded one and Agriculture is the most important of the many subjects included in it. Sir Fazl-i-Husain's tenure of office has been marked by a period of renewed activity in agricultural matters by the Government of India—a welcome change—for this House has never agreed to the view that because agriculture is a transferred subject in the provinces, the responsibilities of the central Government were in consequence unimportant. Sir Fazli has been Chairman of the Imperial Council of Agricultural Research throughout the greater part of its existence and even during a period of great financial stringency was able to secure quite a substantial allotment of funds for agricultural research. This new organisation provided machinery by which work on problems of all-India importance could be assisted at other centres than the Government of India's own Central Research Institute. To Sir Fazli must also go most of the credit for the wise decision to establish the new Imperial Institute of Agricultural Research at New Delhi.

Of administrative action for the benefit of the agriculturist may be mentioned the decision to grant fiscal protection to the sugar industry in 1931, which has led to the establishment of 120 additional sugar factories in India and to our becoming almost self-supporting in regard to sugar; the Sugarcane Act, 1934, which by enabling the local Governments to fix minimum prices for sugarcane, provides a means of bringing to the agriculturist a fuller share of the benefit of the protection granted to the industry. The Wheat Import Duty Act is fresh in our minds. At a critical time it prevented wheat prices from being yet further depressed by uneconomic imports and secured the Indian market for Indian wheat. The reduction in railway freight for wheat consigned to Karachi for export was of some assistance last year when world prices rose a little for a short time and India again became an exporter. In 1935 it may be of considerable importance both to Sind and the Punjab. Sir Fazli was one of the representatives of India in the Indo-Japanese Trade negotiations, the result of which has been a trade pact of distinct advantage to Indian cotton-growers and we know that he also took part in the discussions which led to the present organised efforts by Lancashire to purchase more Indian cotton—efforts which have met with success and have been appreciated by the Punjab cotton-growers. These few examples must suffice. We know that the decision in these matters is the decision of the Government of India as a whole but we know quite well that in these and many other matters Sir Fazl-i-Husain has kept the agriculturists' point of view constantly before himself and his colleagues.

I must also pay him a tribute in that through his efforts there has been steady progress in the Indianisation of district civil surgeoncies, the number of Indian medical officers holding charge of civil surgeoncies in the various provinces having risen from 52 in March, 1930 to 65 in March, 1935.

Sir, we are also grateful to him for having maintained the progress of Indianisation in his Department at a time when other departments, such as the Finance Department, have gone back on this policy.

Sir, I wish Sir Fazl-i-Husain all success in his future career, long life and peace of mind.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : Sir, on behalf of the Independent Party and also as an elected Muslim representative from Bengal, I beg to convey to the Honourable Mian Sir Fazl-i-Husain, the Leader of the House, who is now leaving us, our sense of loss at his departure, which will deprive us of his valuable advice which, while

[Mr. Mahmood Suhrawardy.]

he was with us, was always freely given and which, on many an occasion, helped to restore the balance of sanity in the House.

Sir, this House is under a deep obligation to Sir Fazl-i-Husain. He always struck the right note in debate, and even when we differed from him, we did not fail to recognise the fact that mere difference of opinion did not lessen either our regard, or our respect, for Sir Fazl-i-Husain, to whom the dignity of the House was a matter of as great a moment as to any one of us. Sir Fazl-i-Husain always raised the level of any debate in this House, and it is to his credit that although he has been scrupulously mindful of the cause of the Government which he has so ably represented, he has, at the same time, never lost sight of the best interests of his people. He has always represented all that is best in India and among the Indians.

Finally, Sir, I may add that he has also proved himself a great Muslim, fair, impartial and an upholder of the truth. Needless to say, I wish him many more years of useful public service in his own province of the Punjab.

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT (Bombay : Non-Muhammadan) : Sir, I also wish to associate myself with every word that has fallen from previous speakers. In him this House will lose one of the best specimens of Indian culture. As far as I am concerned, I can speak from my personal experience, as a member of the Emigration Committee, of which, the Honourable Sir Fazl-i-Husain was Chairman, that he was very vigilant in safeguarding the interest of Indians abroad and took special care to take every effective step possible by which the status of Indians abroad could be raised.

I wish him long life so that he may enjoy his well earned rest.

THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ (East Bengal : Muhammadan) : Sir, I rise to associate myself with what has been said by the Honourable Member in eulogising the services of Sir Fazl-i-Husain, who is going to leave us by the 31st of March. It will be an irreparable loss to the House to miss a great statesman like him, who had all along displayed the highest acme of intellectual greatness and political sagacity. His witicism, ingenuousness, erudition and discreetness always marked his history-making speeches in the House. Notwithstanding the great part that he has played in the evolution of the future of India, he has also most bravely steered the course of the House in a manner worthy of a great leader. I would now conclude with my best wishes for his health, happiness and ever more prosperity in life.

THE HONOURABLE MR. E. MILLER (Bombay Chamber of Commerce) : Mr. President, on behalf of the non-official European Members of this House, I beg to associate myself with what you have said, Sir, and other Honourable Members of this House in regard to our Leader, Sir Fazl-i-Husain.

We know him in this House as being a most able administrator, and we admire his courage during those periods when he has not been enjoying the best of health, but has stuck to his post, I am sure very frequently at great inconvenience to himself. His quick grasp of a situation is a quality we must all admire, and this together with his keen sense of humour has proved to be the deciding factor in many a debate. Sir Fazl-i-Husain has shown great ability in dealing with the difficult problems of Indians overseas, and only during the past few days in another place, his handling of the question of the position of Indians in East Africa was responsible for a debate on this subject ending in a most

happy way and in a complete understanding between Government and the Congress Party.

We part with Sir Fazl-i-Husain with the greatest possible regret, and when he finally leaves Delhi he will take with him our very best wishes for the future and our hope that he may enjoy a better measure of health than he has done during the past year or two.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KAHN (North-West Frontier Province : Nominated Non-Official) : Sir, it is for me a matter of great pleasure and privilege to have known the Honourable Khan Bahadur Mian Sir Fazl-i-Husain for a very long time and there can be no gainsaying the fact that my associations with the Mian Sahib are of such a long duration that no Honourable Member of this House can claim priority over that. I feel proud to inform Honourable Members that the birthplace of the Mian Sahib belongs to my province where his late revered father had served the whole of his term of employment in Government service. His late father was a great and intimate friend of my father and as their great friendship developed into brotherly relations with each other, I have also looked upon the Mian Sahib as my brother and an elder brother on account of his being older than me in the matter of age. I know full well the days when the Mian Sahib was getting his education at Lahore, the time when he went to England to get his degree at the Bar and the days of his return from England when he started his practice at Sialkot. Later on he finally settled at Lahore where he had the good fortune to establish his reputation as a very good and capable lawyer and at one time the best man of his profession. I used to meet him there very frequently and in those days I found his views to be more or less those of a Congressman. Later on, he changed his angle of vision in political matters and decided upon working out the Montford Reforms. The result was that he was the first Minister in the Punjab and since then up till the present moment he has always had the good fortune to hold a ministerial portfolio either in the Punjab or in the Government of India. He has been the Honourable Leader of this House for the last five years with a short break of six months during which period he had to go on leave owing to ill-health and during all this time we have always found him friendly, cordial and greatly amicable to all the Members. We are really sorry to miss him in future but had it not been for reasons of his health I am sure the Government of India would not have allowed him to retire at such a critical juncture when the next instalment of reforms, for the provision of which the Mian Sahib has exerted his utmost, are in the course of introduction very shortly. However, we hope to find him soon once again at the helm of affairs in the Punjab and within the time of his coming to that office, I earnestly hope that he will be in a position to recoup his health by a complete rest and thus renew his energies for the discharge of those responsible duties which are awaiting him in the Punjab.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : Sir, as the only medical member of this House, I take this opportunity to tender to the Honourable Sir Fazl-i-Husain the sincere gratitude of the medical profession for the great interest that he has evinced in the progress of medical science and medical education in India. It was his successful piloting of the Indian Medical Council Act that laid at rest a controversy that had been agitating the profession for a considerable time, and it was his zeal, sagacity and foresight that led to the happy termination of the most vexed question of the day. Further, Sir, if I am not mistaken, the recent concession that we received from the Secretary of State in regard to the

[Khan Bahadur Dr. Sir Nasarvanji Choksy.

recruitment of the Indian Medical Service is due to his great interest and solicitude for the Indian profession. I believe that the work which he has achieved in the fields of public health and medicine will stand as a monument of his successful administration of these departments.

With these few words, Sir, I cordially associate myself with the sentiments of other Honourable Members of this House.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, it is with mixed feelings of joy and sorrow that I rise to take part in the remarks which are being made on this occasion. Although my association with the Honourable the Leader of the House in the Council of State spreads only over a period of two months, I had the privilege of knowing him most intimately since 1918 when he was the greatest political leader in the Punjab. Sir, I agree with all those friends who have already spoken that we shall be very sorry to lose him from this House, particularly when, as it was remarked by a speaker in the lower House the other day, he is the only Member of the Viceroy's Executive Council who has been always responsive to the opinions of the popular parties. Nevertheless, I am very glad that he is going back to the Punjab, which very badly needs an eminent and experienced statesman like him. Sir, since Sir Fazli left political life in 1920 and joined the Punjab Government as Minister the Punjab has been badly in need of a real political leader. At present India is passing through most critical stages of political advance, and the greatest problem facing us at present is the question of Hindu-Muslim unity. No progress is possible unless that question is satisfactorily solved, and I am firmly convinced that it will be only through the Honourable Sir Fazli-i-Husain that this question will be ultimately solved. I am sure, Sir, that when after his well-earned rest he goes back and takes an active part in the political life of the Punjab this most thorny question of the communal problem will be solved at once to the entire satisfaction of all communities. Sir, I may be permitted to say that the Honourable Sir Fazli-i-Husain's activities outside the House will be of much more importance than they have been hitherto. All the progress and educational advance which we see in the Punjab are entirely due to the Honourable Sir Fazli-i-Husain's policy which he laid down as Education Minister, and I have no doubt that in the progress of the Punjab lies the progress of India and that Sir Fazli-i-Husain will be spared for a long time to take a very prominent and active part in contributing towards the progress of his own province.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, it would have been inappropriate if the Government back benches were entirely silent on this occasion. I therefore merely rise to say on behalf of myself and my colleagues on those benches how fully we associate ourselves with all that you, Sir, and other Honourable Members have said in expressing their appreciation of all that Sir Fazli-i-Husain has done during his tenure of office in the Government of India. We who are in the position of Secretaries perhaps see more of an Honourable Member's work than those of you who merely see him in this House. We who have worked with him have learnt to appreciate his great ability, his invariable courtesy and his untiring devotion to duty. We say farewell with regret but I think many of us feel assured that those of us who continue to work in Delhi and Simla will certainly in the latter place in a few short years meet him again holding an even more important position in the Punjab Government than that which he has held so ably during the last five years.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, we are today bidding farewell to the Leader of the House who is returning to his own province after a successful career as a Member of the Viceroy's Executive Council. The Honourable Khan Bahadur Mian Sir Fazli-i-Husain originally started practice as a barrister in my home district, Sialkot, more than 30 years ago. His courtesy, his tact, his high character and capacity for work endeared him to the people of my district in a very short time. A high-minded patriot and an illustrious son of the Punjab, his qualities are well known all over India now and we Punjabis are proud of his achievements. We offer our sincerest good wishes to him and we hope that with the wider experience gained by him in the Government of India he will be able to serve his own province even more successfully, especially in the cause of Punjab agriculture.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Mr. President, coming as I do from the province of Bengal I crave your indulgence and the indulgence of this Honourable House to afford me an opportunity in a rather melancholy strain to give vent to our feelings in an hour when we are just on the eve of bidding our respectful and parting farewell to our much esteemed friend the retiring Leader of our House, Sir Fazli-i-Husain. When it was my privilege, Sir, to come to this House by the latter part of the year 1930, we saw our esteemed friend occupying the seat in the other House. We used to see him like a "star from afar" and hardly we knew till then that he would be the "Pole Star" in the upper Chamber to guide and steer it in the right direction whenever it was found weathering a stormy sea. He, I believe, preferred the rather calmer atmosphere of this House in place of the tumultuous and tiresome one of the other. Sir, the higher regions are always serene and breathe an air of dignified superiority over the vitiated atmosphere of the lower regions and I believe he has derived the fullest extent of what he desired from the upper House which was always cordial and friendly to him. Sir Fazli is too great a personality to be judged by me and many others of my school of thought who are not supposed to know even a fraction of the wide knowledge and experience he possesses through culture and perseverance, a rare gift which many of his generation will envy. His was a life full of useful activities in pursuit of learning knowledge and culture and it was therefore very appropriate that he took his seat as Education Member of the Government of India. Those that had the opportunity of listening to his masterly convocation address as Pro-Vice-Chancellor of Delhi University the other day or those that have gone through his speech in the papers must admit the admirable lucidity and frankness with which he made his statement advocating the spirit of forbearance and tolerance towards his fellow men which was the ultimate goal of success when people are at strife with one another and which formed a conspicuous part of the best advice he could give to the rising generation of the day. During the tenure of his office as Education Member, I think it was for the first time that Sir Fazli visited our part of Eastern Bengal and the people of that province had their first occasion to greet him as one amongst them and it is for him to judge what recollection and idea he treasured up in his mind about the people and the strange land he visited during his eastern sojourn. Whatever he might have cherished in his mind, good, bad or indifferent in his official capacity, is a sealed book to us and which we are not entitled to traverse. We must consider him from our Indian standpoint—an Indian first and an official after. Now, Sir, when he is about to lay down the rein of a successful career of administration in the Department of Education, Health and Lands, what can we offer him

[Mr. Jagadish Chandra Banerjee.]

save and except our hearts' most spontaneous wish for his long, happy and peaceful life in his well-earned retirement and in the midst of his near and dear ones and it is our further wish to let him not forget those familiar faces of this Chamber to whom it is so very painful to forget him.

With these words, Sir, I wish all the very best of this side of the House and our respectful farewell.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I associate myself with all that has been said in grateful appreciation of the admirable manner in which the Honourable Sir Fazl-i-Husain has been discharging the onerous duties which devolved upon him during all these five years that he has been the Leader of this House. Sir, his genial disposition, his winning manners, the invariable courtesy which he extended to every section of this House, have won for him a privileged corner in the hearts of everyone present here. I am sure everyone here will miss him sorely when he retires from his present office. Sir, the perfect mastery of the art of dialectic fencing, the great wealth of knowledge and information, his remarkable capacity for toleration and an almost inexhaustible fund of patience, these were qualities which he displayed in the Leadership of this House. Sir, even the most violent storms of controversy which swept over the floor of this House failed to disturb his equanimity. He always kept himself calm, cool and altogether unruffled. Sir, while he strove to demolish and pull to pieces the case that was made against him, he used always to refrain from indulging in cheap gibes and jeers. He was always ready to appreciate and acknowledge the honesty of motive, even though he refused to approve of the views of his adversary. Sir, the cold logic which characterised his arguments was always relieved by brilliant sallies of wit and humour which made his speeches in this House always interesting. Sir, the consummate tact which he displayed in handling difficult situations, the disposition he had for accommodation, the catholicity of mind which he always had and which always enabled him to tolerate honest difference of opinion and above all, Sir, the charm and splendour of his personality always enabled him to convert defeats into victories and turn those people who were the bitterest of his critics to be the best of his admirers. Sir, Sir Fazl-i-Husain has always been known for his patriotism and public spirit. Long before he assumed office as a Minister of the Punjab Government he had earned for himself a name in the temple of fame. Sir, at the very outset of his career he found himself in the front ranks of public men in the country. Not only was he the President of the Bar Association in the Punjab, but he was also the elected Secretary of a leading educational institution, a Fellow of the Punjab University and a Member of its Syndicate. Sir, it was only in the fitness of things that one who had taken such keen interest in education should have been entrusted with the Education portfolio. I need not enumerate all that he has been able to do as a Member of the Viceroy's Executive Council. Sir, several Honourable friends who have spoken have given instances of the way in which he has left his indelible mark upon those departments over whose activities he has presided. I am sure I am echoing the feelings of everyone here present that we are oppressed with a great sense of loss at parting from him. I wish him long life and every happiness and prosperity.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House) : You will permit me, Sir, to move from the personal to the

impersonal and from the individual to the association. I wish to say a few words as to the Council of State itself. The first noticeable thing is that it has now full fledged parties in it. Formerly there used to be no such parties. No doubt we on this side find one Party particularly troublesome at times. Still it shows that the House has developed along constitutional lines and is showing the existence of life in it and vitality and all that makes for development in the constitutional sense. Then, Sir, the debates of this House used to be very much to the point and very brief and I remember in 1925 when I officiated I had to be very quick to reach the House; otherwise I ran the risk of meeting Members when they were returning from the meeting if I was a little late. During the five years we have seen the House making its debates more exhaustive, more spirited, perhaps more protracted as well and double sessions have recently been the rule rather than the exception. All that shows that Members take keen interest and work up their subjects and are really getting on very well. It is a great pleasure to know that the atmosphere of the House has invariably been one of cordiality, goodwill and good humour. I think these are the distinctive features of what I may call a good House. These debates are no joke; they provoke people to antagonism, expressions of different views, conflict of interest, and it is really up to us, in spite of the sort of business we have to transact, still to maintain cordiality and goodwill and without these the House soon falls very low. Then, Sir, not only have we got organised parties, real troublesome debates—long ones—but we have now got what we did not possess when I came, a non-official President. (Applause.) That is another advance, constitutional advance, in making this House a real political institution of great importance in India. Then many Members of this House have proceeded to serve on important national committees in India and outside India. That again gives a status and a position to the House in the political life of the country. In virtue of all these things, Sir, which it has been my good fortune to watch coming into being and develop, what do we see in the future? It is very difficult to see anything in the future. You can only make a guess. But if you look hard enough at what is in the India Bill which is under discussion, you will find that when it is actually passed, this House, which has been more or less described as an upper Chamber—meaning thereby not of much consequence—in the new *june*, that is to say in the new incarnation (*june* in Punjabi and in Urdu means the new shape that the body assumes after death according to Hindu belief) it will become a more important partner in the central Legislature perhaps than the other. Now, Sir, I claim that this is really the reward for the good life led by this House during the last five years, and it will be my privilege in my retirement to see this House develop into a full-fledged major partner in the central Legislature of a great country. What a wonderful part this House will be playing at that time I leave it to the imagination of Honourable Members to divine. And no more for them a nominated Member like me. Your Leader will come from amongst you. So that is, Sir, what I trust is in store for this House and if I have done anything to work towards that ideal I am well repaid for all the trouble I may have taken to get it.

It is true, Sir, partings are sad affairs. But I have got more or less habituated to them and take a more optimistic view of them. I would not be parting from my Honourable colleagues now if somebody had not parted from them five years ago, and if there is another place for me to go to I could not be welcomed there unless I left this place. So we ought to take these five-year appointments as a real good thing. In five years time one puts in as much as one has it in him to put into a particular job. There is a healthy principle behind it all.

[Khan Bahadur Miah Sir Fazl-i-Husain.]

I am most grateful to you, Sir, for the very very complimentary things you have said about me: it is not right for a man to hear such nice things said about him. They are apt to turn his head. And I really must do my best to keep my head today for what I want to do is to devote my attention now for some time to come to develop physical force, mental force, and if possible spiritual force to help my country's interests.

The Council then adjourned to a date and time to be notified by circular.

COUNCIL OF STATE.

Monday, 8th April, 1935.

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the President in the Chair,

MEMBERS SWORN :

The Honourable Kunwar Jagdish Prasad, C.S.I., C.I.E., O.B.E. (Education, Health and Lands Member).

The Honourable Lieutenant-Colonel A. F. R. Lumby, C.I.E., O.B.E., (Government of India : Nominated Official).

The Honourable Mr. J. C. Nixon, C.I.E. (Government of India : Nominated Official).

QUESTIONS AND ANSWERS.

RECENT FIRING BY TROOPS DURING THE DISTURBANCES AT KARACHI.

117. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI : (a) Have any further investigations been made by the authorities since the short notice questions in the Council of State and the debate in the Assembly regarding the firing at Karachi ?

(b) What is the total number now of persons who lost their lives due to the firing and how many were wounded ?

(c) Were any children or women killed by the firing ?

(d) What measures, if any, were adopted after the firing to attend to the wounded ?

(e) Has Government now decided to institute an inquiry into the question whether the firing was justified ?

(f) Was the gathering at Karachi on which fire was opened due to any communal quarrel or to any action on the part of Government ?

(g) Was the gathering a mixed one or only of one community ? Were Hindu hawkers and others present in the gathering to sell eatables ?

(h) How many among the killed and wounded were Muslims and how many non-Muslims ?

(i) How many rounds in all were discharged by the military and by how many soldiers? Was the order of firing given by the Magistrate, was the order in writing or verbal and was the firing directed at the head or the feet of the mob?

(j) Is it a fact that the procession was going with the bier of Abdul Quayum to the Idgah for funeral prayers and was the procession fired at by the military at a distance of half a mile from the town and before the procession reached the cross corner of the road which leads to the city?

(k) Is it a fact that the people in the procession were not armed with *lathis* or any other weapon?

(l) Will Government be pleased to state whether any crime was committed by the mob before the firing and the reasons for inviting the assistance of the military authorities and not using the police?

THE HONOURABLE MR. M. G. HALLETT: A resolution or statement will shortly be issued by the Government of Bombay which will deal fully with the points made in this question. I would refer the Honourable Member to that resolution.

NUMBER OF COMMUNAL RIOTS WHICH OCCURRED IN INDIA FROM THE 1ST OF JANUARY, 1934 UP TO THE PRESENT TIME.

114. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: How many communal riots took place last year in India, how many have taken place this year up to the present time, and have they caused any loss of life? If so, how much?

THE HONOURABLE MR. M. G. HALLETT: I lay a statement on the table giving the information in my possession.

Statement of communal riots which occurred in India during the period 1st January, 1934 to 31st March, 1935.

Place.	Date.	Killed.		Injured.		Cause of riot.
		Hindus.	Mus-lims.	Hindus.	Mus-lims.	
1. Ajmer (U. P.)	8-1-34	Many injured.	slightly	..	..	Muslim attack on Hindus. Marriage band passing the Moti Kalta Masjid in the Durgah Bazar.
2. Do.	22-2-34	..	..	..	..	Muslim attack on Hindu marriage band passing the Clock Tower Mosque.
3. Ajodhya (U. P.).	27-3-34	..	3	..	8	Cow sacrifice.

Statement of communal riots which occurred in India during the period 1st January, 1934 to 31st March, 1935—contd.

Place.	Date.	Killed.		Injured.		Cause of riot.
		Hindus.	Mus-lims.	Hindus.	Mus-lims.	
4. Belhauri, Dina-pore (B. & O.).	2-4-34	..	3	2	3	Hindus attack Muhammadan marriage party who intended to slaughter a buffalo.
5. Ramnagar, Bhagalpur sub-division (B. & O.)	2/3-4-34	..	3	..	..	Dispute over site of mosque.
6. Ghazipur (U. P.)	24/25-4-34	1	3	2	3	Attack on tazia in Muharram processions.
7. Girjayya, Bareilly district (U. P.)	27-4-34	..	1	..	1	Tazia procession near Hindu temple.
8. Agra (U. P.)	3-9-34	2 (plus 1, community not known).	1	10	25	Arti-nimaz dispute.
9. Madras	2-9-34	..	1	4	13	Enforced hartal in connection with the publication of a book in Tamil entitled "A short History of the Catholic Church".
10. Fukrahat, Gopalganj division, (Bengal).	8-9-34	..	..	..	..	Quarrel between a Muhammadan and a Namasudra boy.
11. Maungbwe village, Akyab district (Burma)	10-12-34	(6 Chittagonians and 6 Arakanese injured).				Assault on uninvited Arakanese guests at Chittagonian festival.
12. Buthidaung township, Akyab district (Burma).	20-3-35	(2 Indians killed and 4 injured—community not known).				Clash between Indians and Burmans over an umbrella.
13. Samrai, Gujranwala district (Punjab).	16-3-35	..	1	..	6	Dispute between Sikhs and Mus-lims during Id celebrations.

N.B.—The above excludes minor communal clashes which have not been reported to the Government of India.

NEW RATES OF PAY FOR ORDNANCE FACTORIES, ETC.

115. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) With reference to my questions Nos. 201 and 202, dated the 3rd September, 1934, will Government be pleased to state whether any decision has yet been arrived at ?

(b) Will Government please state whether the new rates of pay will apply to persons employed after a certain date ?

(c) Is it a fact that many such persons have earned increments under the old scale ? How do Government propose to safeguard them from immediate reduction of pay under the new scale ?

THE HONOURABLE LIEUTENANT-COLONEL A. F. R. LUMBY : I am enquiring whether a final decision has yet been reached and will inform the Honourable Member in due course.

INDIANISATION OF HIGHER APPOINTMENTS IN ORDNANCE FACTORIES.

116. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) With reference to the answer to my question No. 203, dated the 3rd September, 1934, what steps have Government ever taken or what steps do they propose to take to Indianise the department in the matter of higher appointments ?

(b) Will Government be pleased to state the reasons why there is no Indian above the rank of chargeman at Aravankadu and Cossipore ?

(c) Is it a fact that when a European chargeman officiates for an assistant foreman he gets the minimum pay of the appointment while an Indian only gets an allowance of Rs. 50 per mensem ? If the reply be in the affirmative what is the reason for this distinction and do Government propose to take any steps to remove it ?

THE HONOURABLE LIEUTENANT-COLONEL A. F. R. LUMBY : (a) Government have introduced schemes for training apprentices and a system of recruitment through the Public Service Commission. These definite steps will assist Indianisation of the higher ranks in the department later on, but the Honourable Member must remember that Indianisation in the assistant foremen's grade only began 11 years ago.

(b) None of the men now in service has yet been found fit for permanent promotion, but two Indian chargemen are now officiating as assistant foremen at Aravankadu and three at Cossipore.

(c) No. Whether the minimum pay of the appointment or an allowance (which varies) is to be given, depends on whether the officiating incumbent is considered fit to assume the whole or only part of the duties of the post. This rule applies equally to Indians and to Europeans selected for officiating appointments.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which

were passed by the Legislative Assembly at its meeting held on the 6th April, 1935, namely :

A Bill further to amend the Indian Tariff Act, 1934, for certain purposes, and

A Bill further to amend the Indian Tea Cess Act, 1903, for a certain purpose.

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT : Honourable Members, I have a message from His Excellency the Governor General, which runs as follows :

" Dear Mr. President,

I send herewith with my certificate and recommendation the Indian Finance Bill, 1935, which the Legislative Assembly has failed to pass in the form recommended by me.

Yours sincerely,

(Sd.) WILLINGDON".

(The message was received by Honourable Members, standing.)

The Secretary will presently lay on the table the Bill and you will know the nature of the Governor General's recommendation which is endorsed on the Bill which will be presented to you now.

INDIAN FINANCE BILL LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in pursuance of the provisions of section 67B of the Government of India Act, I lay on the table a copy of the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, which the Legislative Assembly has failed to pass in the form recommended by the Governor General and which has been certified under the provisions of the same section by the Governor General as essential for the interests of British India.

(Copies of the Bill were then distributed to Honourable Members.)

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL : Sir, a message has been received from the Legislative Assembly. The message runs as follows :

" I am directed to inform you that the message from the Council of State to the Legislative Assembly desiring their concurrence in the Resolution recommending that the Bill to amend the law relating to marriage and divorce among Parsis be committed to a Joint Committee of the Council of State and of the Legislative Assembly and that the Joint Committee do consist of 12 Members, was considered by the Legislative Assembly at their meeting held on the 30th March, 1935, and that the Resolution was concurred in by the Assembly".

MOTION RE NOMINATION OF MEMBERS TO SERVE ON THE JOINT COMMITTEE TO CONSIDER AND REPORT ON THE PARSI MARRIAGE AND DIVORCE BILL.

* **THE HONOURABLE SIR PHIROZE SETHNA** (Bombay: Non-Muhammadan): Sir, before I put my Motion to the House I request permission to substitute the name of the Honourable Mr. J. Ghosal in the place of the Honourable Mr. M. G. Hallett. My reason for doing so is that the Honourable Mr. Hallett is proceeding to Europe on leave and will not be able to attend the meetings of the Joint Committee, which in all probability will be held at the beginning of the Simla session.

THE HONOURABLE THE PRESIDENT: I do not think the House will have any objection?

(No objection was raised.)

THE HONOURABLE SIR PHIROZE SETHNA: Sir, I beg to move:

"That the following Members of the Council of State be nominated to serve on the Joint Committee to consider and report on the Bill to amend the law relating to marriage and divorce among Parsis, namely:

The Honourable Mr. J. Ghosal.

The Honourable Mr. G. H. Spence.

The Honourable Khan Bahadur Dr. Sir Nasarvanji Choksy.

The Honourable Rai Bahadur Lala Ram Saran Das.

The Honourable Sir David Devadoss, and the mover."

I need hardly remind the House that some weeks ago I had brought forward a Motion that this Bill might preferably be referred to a Joint Committee of the two Houses, and, as the Secretary has just read out, a message has come from the other place to say that they have accepted our proposal. All that therefore remains for me to do today is to suggest six names as members of the Committee from this House, which names are embodied in the Motion I have moved. I trust the House will pass the Motion.

The Motion was adopted.

STATEMENT BY THE HONOURABLE THE PRESIDENT ON THE FUTURE COURSE OF BUSINESS.

THE HONOURABLE THE PRESIDENT: Honourable Members, it is a matter of regret that the Finance Bill and the two other Bills have come to this House at this late stage. Last year I drew the attention of Government to the fact that it appeared to be the normal practice during the last few years to present the Finance Bill to the House late in the day and the Honourable Members of this House were considerably inconvenienced on account of the Bill not being presented here in proper time. But I fully realise that the difficulty this year has been of an abnormal nature and that Government is not to blame in the matter. This delay has taken place owing to the unusual amount of time occupied in the other House in the discussion of the

* Speech not corrected by the Honourable Member.

(694)

Finance Bill. It is a matter of great regret that we should get an important Bill like the Finance Bill on the eve of two principal holidays, the Mohurram and Easter, with only four working days intervening. However, if it is permissible for me to drop a hint to Government, I would suggest that in future years for the convenience of this House and also to maintain the dignity and prestige of this House the Government will take up the Finance Bill as early as possible in the other House, that is before the 15th of March, and give that Bill precedence over all legislative work and also over all non-official work and discuss the same from day to day till it is either passed or rejected. This will save us from a predicament and the normal practice which prevailed in this House four years before will be restored. However, Honourable Members, we have now to make the best of the situation. Many of you have seen me during the last two or three days and have requested that the business of this House ought to be expedited and the work finished as far as possible by Thursday the 11th of this month. I am quite prepared to meet the wishes of many of you and I therefore propose that tomorrow we take up the Tariff Bill and the Tea Cess Bill for discussion. I am prepared to waive the Standing Order, if a majority of you are agreeable. As regards the Finance Bill, I propose that we should take it up for discussion on Wednesday. Two other Bills are expected from the other House, one the Salt Bill and the other the Mines Bill. The Salt Bill is likely to be passed today and laid on our table tomorrow or at the latest on Wednesday morning. In that case I propose that we should also deal with the Salt Bill. As regards the Mines Bill, I would request the Leader of the House to settle with Government that the consideration of that Bill should be postponed till the Simla session. There is no great hurry about the passing of that Bill. But I am quite prepared, in case we have time, to take up that Bill also on Thursday, provided Honourable Members waive their right of statutory notice. I am not prepared every time to ask Honourable Members to do so, and it would not be right on my part to ask Honourable Members on each occasion to waive the statutory notice, nor would I like to exercise my privilege to waive that notice. I would therefore request the Leader of the House if possible to arrange with Government that that Bill, if passed in the other House, should be placed before this House in the Simla session. I would like to know from Honourable Members now if they have any objection to my suggestions?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, we are prepared in every way to meet the wishes of the Government as well as to abide by your decision in this matter. But we want to bring to your notice, Sir, that it has become a common practice for the last three years not to give us the statutory time required for the Finance Bill. We all know that the Finance Bill is the most important Bill of the session and last year you, Sir, definitely made observations to the effect that you would not be prepared to suspend the Standing Order next year. You said, Sir,—

THE HONOURABLE THE PRESIDENT: Order, order. I have already informed the House that this year Government is not to blame in the matter and that the other House has taken an unusual volume of time in discussing that Bill and therefore the delay is explicable on the part of Government. I have stated that and in that view I have made my suggestions to Honourable Members.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, so far as Honourable Members of the other House are concerned they may still delay next year. Government cannot give a guarantee ; there is no time limit.

THE HONOURABLE THE PRESIDENT : I have made a suggestion, in anticipation of your speech, to Government that they should take the Finance Bill in the other House before the 15th of March and discuss it from day to day and give that Bill precedence over all legislative and non-official work.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Why did not they do it this year, Sir ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, I think your remarks were quite clear and the Government ought to have taken care and brought the Bill in the other House much earlier.

THE HONOURABLE THE PRESIDENT : Government could not gag the mouths of Honourable Members in the other House.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : They cannot do it in future years also. This Bill is coming to us in a certified form. His Excellency the Viceroy sent the Bill in a recommended form to the other House and that has not been accepted. It was not due to the Party in opposition there, but as I understand from the papers the other parties also sided with them as far as I know.

THE HONOURABLE THE PRESIDENT : Order, order. These remarks are irrelevant just at this time. You may make these remarks when the Finance Bill comes up for discussion.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I want to show how the situation is changed when the Bill has come to us and what responsibility we have. We hold great responsibility this year as the Bill has been thrown out in the other House, and if we ask you now to suspend the Standing Orders what sorry figure shall we cut in the eyes of the public—that the other House discussed the Bill for four or five weeks and rejected it but this upper House was not even prepared to take the statutory time and requested the President to suspend the Standing Orders. Besides we would get more time to discuss with other parties and come to an agreement about the line we should adopt in this House. For that, Sir, I think we must get at least the statutory time limit for the Bill and we would request you, Sir, not to suspend the Standing Orders so far as the Finance Bill is concerned. I am agreeable so far as the other Bills are concerned.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : We are all very grateful to you, Sir, for your very kindly giving a warning to Government that they should show more respect to this House than they have so far done hitherto. It is a matter of opinion, Sir, as to who is responsible for this delay in bringing the Finance Bill to this House at this late hour ; but I heartily associate myself with all that has been said by my Honourable friend Mr. Mehrotra, that what little prestige and position this House enjoys we should not be a willing party to its deprivation. I honestly believe that to treat the Finance Bill in such a casual way as to

dispose it of in a couple of days, however urgent our requirements at our own homes may be, will be very unfair. I hope, Sir, you realise that the Government have got very little control on the course of events in the other House. They may start the Finance Bill on the 5th or the 15th of March. As there is no time limit fixed and as everything is relevant under the Finance Bill the Assembly can go on speaking on the Bill for any number of days. So this position is bound to arise again in future years. We already agreed to the suspension of the Standing Orders last years. If we do it this year, I am sure, whatever you may have said, whatever warning you may have given to the Government, in due course it may just become a convention that in the Council of State Standing Orders have always been suspended. Every time some peculiar circumstances are bound to arise. I would most earnestly request you and I will also earnestly request the Leader of the House, whom I most heartily welcome and in whom we have got great hopes for guiding us and co-operating with us, not to press that the Standing Orders should be suspended. The Bill has come to us in a certified form. There are grave constitutional issues involved. We must have sufficient time to consider all these matters ; and this being the last year of the life of this present Council we have got to go and face our constituencies. We must go and tell them we sacrificed our own convenience to the bigger interests of the country, we waited for 15 days sitting idle, we did not rush it through and at least tried to do full justice to the Finance Bill. We are already deprived of discussing the budget and this is the second important matter, and if we are going to pass it so casually I am sure we will be condemned by our own constituencies and our own people. I would request you not to suspend the Standing Orders. As far as the Wheat and other Bills are concerned, I am not agreeable to their being taken up today—

THE HONOURABLE THE PRESIDENT : I suggested taking them up tomorrow, not today.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I am not agreeable to their being taken up tomorrow. I would not mind if the Tariff Bill and the other Bill are taken up on Wednesday, giving us one more day, but so far as the Finance Bill is concerned, we want the full three days and the Bill should be taken up on the 16th.

THE HONOURABLE THE PRESIDENT : Mohurram holiday intervene.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : If you give us the full three days then we will have to take it up on the 11th.

THE HONOURABLE THE PRESIDENT : I always understood that three days implied notice from today. It would be in time on Thursday.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Then we can take it up on Thursday. If we do not finish in one day, we shall have to sit after the Mohurram holidays on the 16th and 17th.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, I fully endorse your remarks that this House could not be in possession of the Bill and could not discuss it earlier and I think that it places this Council in a very awkward position to have the Bill

[Mr. Mohammad Yamin Khan.]

just at the time when we are all about to disperse for the Mohurram holidays and we have got very little time after the Mohurram holidays, for the Easter holidays begin.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Last year we met after the Mohurram holidays.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My view is that three days are meant in order to give facility to Honourable Members to send in whatever amendments they like to propose and three days after laying the Bill on the table are meant for Honourable Members to study thoroughly the Bill which they are going to discuss. Here we have had this Bill before us for a very long time. This Bill was thoroughly discussed in the other House and those Honourable Members who had an opportunity to go and listen to the debates in the other House or read them through the press are in full possession of the facts and they can send their amendments as early as possible. Then this Bill is not intended to be discussed till Wednesday as you propose. Between Wednesday and today there is one clear day and the whole day today in which Members can send in amendments. I think, Sir, it will enhance the value and the prestige of this House if we place before the public the fact that we are not accustomed to waste time. If we ask for time to study, the public outside will consider and the constituencies which the Honourable Member is desirous of showing that he took great pains in studying will probably think that Honourable Members were sleeping during the time that the Bill was discussed in the other House and it will not enhance the prestige of this House to postpone it and ask for unnecessary time. Sir, my view is that the Bill should be taken up as proposed by yourself, and that will enhance the prestige of this House and meet the convenience of the Members and the procedure which you have proposed is the best under the circumstances, although I would like that from next year there may be better treatment given to us, as suggested by you.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): It appears to me, Sir, that this matter has been placed on the wrong basis. This discussion of the budget is based upon the ancient right of grievance before supply. The House of Commons always exercised this right, and they would not grant any money to the Crown unless the Crown had listened to the grievance of the people. In England the money Bill does not go before the House of Lords but in India we have that right and we have got to exercise that right of the grievances being attended to before we grant any supplies. I say therefore that all these matters of convenience or of being well thought of or not thought of are thoroughly irrelevant. There were questions, very important questions, that were put forward in the lower House and I say that they should be discussed over here again. I therefore say that we must have time to study this money Bill as carefully as we possibly can; also that we should exercise our right to put forward our grievances before we grant supplies. The Crown does not get supplies by its own rights. It has got to have it by the grant of the House of Commons in England and by the grant of both the Houses in India. That is the constitutional law on the point. That being the law, the question of convenience I put on one side. We came here to do work and unless that work is properly done and finished we have failed in our duty. It does not matter what time it takes—that means nothing at all. We have come here on purpose to grant supplies to the Crown, if the Crown will attend to our grievances. That being so, I say that convenience

is no rule. The Chair has been very kind to the Government and made it as smooth as possible for it, but this being a fundamental right no compromise on this right is possible. I say therefore we must have our full time within the rules. We cannot go beyond the rules but within the rules I shall insist on every comma of it being carried out. I therefore say we must have our three days.

THE HONOURABLE MR. P. C. D. CHARI (Burma: General): Sir, the Bill is coming this year in a very unusual form—in a certified form.

THE HONOURABLE THE PRESIDENT: Six times before it has come in this form!

THE HONOURABLE MR. P. C. D. CHARI: Yes, it has and it has been usual for this Council to reverse the decision of the other House. I am aware of this, but what strikes me is that the unusual procedure should not be adopted in the case of a Bill which is coming in this unusual form. There ought not to be undue haste in reversing the decision which has been arrived at after long and very anxious consideration by the popular Members in the other House. Though we cannot prevent a certified Bill being passed, we should at least be in a position to have more strength for people of opposition views; the Bill has been held up for a number of days in the other House and the Honourable Members being tired of waiting have gone back home and we expect some of them to come back on hearing that the Bill will be taken up by this House, and there should be no unseemly hurry to prevent the possibility of these Opposition Members coming back before the Bill is taken up. Sir, the ordinary rule should be applied and the Standing Order should not be suspended at all.

THE HONOURABLE THE PRESIDENT: I made the suggestion for the suspension of the Standing Order at the request of several Members who personally saw me and said that they wanted to go to their homes on the 11th and would not like to come to the Council again. So far as I myself am concerned, I am perfectly in the hands of the Members and if they insist on the full statutory notice, I am not prepared to oppose it and I would be agreeable to their wishes. At the same time I must ascertain exactly what the position is. I would therefore request only those non-official Members who insist on full notice to rise in their places.

(Nine Honourable Members stood up.)

Then the majority are opposed to it?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, there are several Members who are neutral: let them rise also.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan) Sir, as some Members hold the view that full notice should be given for the Finance Bill while opinion is divided as regards the other Bill, I beg to request that a separate ballot be taken as regards the Finance Bill.

THE HONOURABLE THE PRESIDENT: Very well, then, so that no doubt may be left on the question I will ask those who insist on full statutory notice for the Finance Bill to rise in their places.

(Twelve Honourable Members stood up.)

And those who do not demand full notice ?

(Twelve Honourable Members stood up.)

I will in that case give my casting vote in favour of those who want full statutory notice. I therefore now direct that on Wednesday we proceed with the two other Bills and on Thursday take up the Finance Bill. But Honourable Members must be prepared for evening sittings. (*An Honourable Member* : "There should be a time limit.") No, there will be no time limit, but Honourable Members should be prepared to sit at night on Thursday, if I consider it necessary.

The Council then adjourned till Eleven of the Clock on Wednesday, the 10th April, 1935.

COUNCIL OF STATE.

Wednesday, 10th April, 1935.

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

QUESTIONS AND ANSWERS.

USE OF LACHRYMATORY OR TEAR GAS FOR DISPERSING MOBS.

117. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD :
(a) Is it a fact that lachrymatory gas or tear gas bombs have been successfully used in America and some other western countries for dispersing crowds ?

(b) Have the Government of India ever tried this method in dealing with excited mobs rather than resorting to firing ? If so, with what result ? If not, why not ?

THE HONOURABLE MR. M. G. HALLETT : (a) As far as I am aware, tear gas is used in America for the dispersal of mobs. I have no information whether it is used for this purpose in other western countries.

(b) The answer to the first part is in the negative. The second part does not arise. As regards the last part, Government have on more than one occasion considered this proposal and have decided against it mainly on the ground that if tear gas is used for dispersal of mobs the gas is difficult to control and there is a danger of stampedes and panic which may result in considerable loss of life. They are however again going into this question.

RUNNING OF THROUGH CARRIAGES FROM DELHI TO HARDWAR ON THE NORTH WESTERN AND EAST INDIAN RAILWAY SECTIONS *via* MEEBUT, ETC.

118. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD :
(a) Is it a fact that one I and I¹ class through carriage and one inter and III class through bogey used to run from Delhi to Hardwar on the North Western Railway and East Indian Railway sections *via* Meerut, Muzaffarnagar and Saharanpur until a few years ago ?

(b) Is it a fact that since the construction of the new East Indian Railway Gajroula-Chandpur-Sian-Najibabad Branch a few years ago a direct train runs from Delhi to Dehra Dun on this new section and consequently the running of through carriages on the line referred to in (a) has been discontinued ?

(c) Has it been represented to Government that as a result of this discontinuance of the through carriages between Delhi and Hardwar *via* Meerut, Muzaffarnagar and Saharanpur great inconvenience is caused to the travelling public who visit Hardwar as a great Hindu pilgrim centre from the stations lying between Ghaziabad and Saharanpur on account of their having to change either at Saharanpur or Ghaziabad and at times at Lhaksar also ?

(d) Do Government propose to revive the running of some through carriages on the above mentioned section as in past years?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) Yes. The running of the through service was discontinued from June, 1932.

(b) The construction of the branch line was to provide a more direct route between Delhi and Dehra Dun from January, 1930.

(c) Government have received no representation, but I am prepared to accept the Honourable Member's statement that inconvenience is caused to passengers from stations between Ghaziabad and Saharanpur travelling to Hardwar and back.

(d) I am conveying the Honourable Member's suggestion to the Agent, East Indian Railway, for consideration.

ELIGIBILITY OF VAISHYAS FOR ENLISTMENT IN THE INDIAN ARMY.

119. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: (a) Will Government kindly state whether Vaishyas are eligible for enlistment in the Indian Army? If so, what is their number in the army and what sections of the army are open to them? If not, why are they considered unsuitable for recruitment?

(b) Are Vaishyas residing in Kumaon enrolled in the army?

(c) Is it a fact that during the Great War some Vaishyas were enrolled as soldiers and that some Kumaoni Vaishyas are at present subedar-majors? If so, why are the Vaishyas not allowed the same opportunities of serving in the army now as they were allowed during the Great War?

THE HONOURABLE LIEUTENANT-COLONEL A. F. R. LUMBY: (a) There is no record of the number of Vaishyas at present serving in the Indian Army but they are eligible for enlistment in the following units:

King George's Own Bengal Sappers and Miners.

Indian Army Service Corps (Mechanical Transport and Animal Transport).

Indian Army Veterinary Corps.

(b) Vaishyas residing in Kumaon are eligible for recruitment to the same extent as Vaishyas residing elsewhere.

(c) Government have no information as regards the first part of the question, as they keep no record of the enlistment of members of sub-classes.

MOTION FOR ADJOURNMENT.

REFUSAL OF THE GOVERNMENT OF INDIA TO HOLD A PUBLIC ENQUIRY INTO THE KARACHI DISTURBANCES.

THE HONOURABLE THE PRESIDENT: Honourable Members, I have received a notice of an Adjournment Motion from the Honourable Raja Ghazanfar Ali Khan. The notice reads as follows:

"Sir, I beg to give notice of an Adjournment Motion which I beg leave to move to-day to discuss a definite matter of urgent public importance, namely, Government's refusal to appoint a public enquiry into the Karachi firing in March, 1935."

Personally, I think the Motion is in order, but I would like to ascertain the wishes of Government if they have any objection?

THE HONOURABLE KUNWAR JAGDISH PRASAD (Leader of the House): Sir, Government have no objection to the Motion being made.

THE HONOURABLE THE PRESIDENT: Has any other Honourable Member any objection?

(No Honourable Member objected.)

Then I allow the Motion which will be taken up for discussion at 4 P.M. this afternoon.

STATEMENTS LAID ON THE TABLE.

RESERVE BANK OF INDIA (NOTE REFUND) RULES, 1935.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I lay on the table a copy of the Reserve Bank of India (Note Refund) Rules, 1935.

RESERVE BANK OF INDIA.

NOTIFICATION.

New Delhi, the 16th March, 1935.

No. 1.—In exercise of the power conferred by the proviso to section 28 of the Reserve Bank of India Act, 1934 (II of 1934), the Central Board of Directors of the Reserve Bank of India by virtue of the power conferred by section 7 of the said Act, and with the previous sanction of the Governor General in Council, makes the following rules prescribing the circumstances in, and the conditions and limitations subject to, which the value of any lost, stolen, mutilated or imperfect currency note of the Government of India or bank note may be refunded as of grace.

1. *Short title.*—These rules may be called the Reserve Bank of India (Note Refund) Rules, 1935.

2. *Definitions.*—In these rules, unless there is anything repugnant in the subject or context—

(a) 'altered note' means a note in which an alteration has been made in the number, date, signature or value or in any other respect;

(b) 'the Bank' means the Reserve Bank of India constituted by the Reserve Bank of India Act, 1934;

(c) 'half note' means a half of a note which has been divided vertically through or near the centre;

(d) 'mismatched note' means an imperfect note formed by joining a half note of one note to a half note of another note;

(e) 'mutilated note' means a note of which a portion is missing:

Provided that the portion presented is clearly more than a half note and that if the portion presented consists of parts of a note joined together each part of such portion is identifiable as part of the same note;

(f) 'note' means a note of the Reserve Bank of India, including a currency note of the Government of India issued either by the Governor General in Council or by the Bank;

(g) 'number' includes the letters of the series to which the note belongs;

(h) 'obliterated note' means a note, not being a mutilated or altered note, of which a portion has become or has been rendered undecipherable;

(i) 'office of issue' means the office of the Issue Department of the Bank at Bombay, Calcutta, Madras or Rangoon or the Branch of the Issue Department of the Bank at Cawnpore, Karachi or Lahore.

(j) 'prescribed officer' means the officer in charge of an office of issue.

3. *Presentation of claims.*—(1) A claim in respect of a note of which the denomination does not exceed ten rupees may be presented at any office of issue and may be dealt with by the prescribed officer at any such office.

(2) A claim in respect of a note of which the denomination exceeds ten rupees shall be presented to the prescribed officer in charge of the office of issue to which such note appears to belong, and such prescribed officer shall alone be authorised to entertain it.

(3) When a claim has been presented to a prescribed officer who is not authorised to entertain it under sub-rule (2), such officer shall return the note to the presenter and refer him to the officer to whom it should be presented under sub-rule (2).

4. *Time limit to claims.*—If it appears to the prescribed officer authorised to entertain the claim that any claim was not made by the claimant within 12 months of the time when it might first have been made by him, the prescribed officer shall not entertain the claim.

5. *Value limit to claims.*—(1) No claim in respect of a note alleged to have been lost, stolen or wholly destroyed, or of which the portion presented is neither a half note nor a mutilated note, shall be entertained unless the denomination of the note exceeds ten rupees.

(2) No claim in respect of a half note or a mismatched note shall be entertained unless such half note or one of the half notes comprising the mismatched note is part of a note of which the denomination exceeds ten rupees.

6. *Enquiry into claims.*—(1) Where any claim is made under these rules the prescribed officer authorised to entertain the claim shall hold an inquiry unless the claim relates to a note alleged to have been stolen, in which case he may reject the claim without holding any inquiry.

(2) If in the course of the inquiry referred to in sub-rule (1) the claimant fails without reasonable cause in the opinion of the prescribed officer to furnish within three months any information called for by the prescribed officer, the prescribed officer may reject the claim.

7. *Rejection of claim concerning half note.*—A claim for the value of a half note shall be rejected unless the number of the note is identified by the prescribed officer on the half note and the half note is entire and has not been divided and rejoined.

8. *Rejection of claim concerning mutilated note of less than ten rupees.*—A claim for the value of a mutilated note of a denomination not exceeding ten rupees shall be rejected unless in the opinion of the prescribed officer, the portion presented clearly forms part of a genuine note and the missing portion is too small to be used in support of any other claim under these rules.

9. *Rejection of claim concerning mutilated note of more than ten rupees.*—(1) A claim for the value of a mutilated note of a denomination exceeding ten rupees shall be rejected unless the number of the note on examination is identified with certainty by the prescribed officer as one of not more than six numbers.

Provided that, if the number of the note though not capable of such identification is declared by the claimant, the claim shall be dealt with under rules 13 and 15 as a claim to the value of a wholly destroyed note:

Provided further that, where the claimant is unable to declare the number, if the prescribed officer is of opinion that the number may be identified with certainty within a reasonable period he may permit the claimant to leave the note in deposit with a view to future identification.

(2) Where a claim is rejected under sub-rule (1) the note shall be stamped by the prescribed officer and returned to the claimant.

(3) If a mutilated note of a denomination exceeding ten rupees has been identified with certainty by the prescribed officer as one of not more than six numbers he may order the claim to be paid at once.

10. *Deposit of mutilated notes.*—(1) The prescribed officer shall enter the particulars of any mutilated note placed in deposit under the second proviso to sub-rule (1) of rule 9 in a register to be maintained in this behalf and shall give a receipt to the claimant for such note.

(2) Where the number of a note so placed in deposit is not identified within a period of three years to the extent specified in sub-rule (1) of rule 9 the claim shall be rejected and the note shall be stamped and returned to the claimant or, if the claimant cannot be found, shall be destroyed.

11. *Disposal of claims concerning half notes.*—(1) A claim for half the value of a note of which a half note only is presented by the claimant shall be dealt with as follows:—

(a) If a counter-claim for the full value of the note has not been received at the office of issue before the presentation of the claim or within a period of fourteen working days thereafter, half the value of the note may be paid to the claimant on the expiration of such period.

(b) If the full value of the note has already been paid on a claim under rule 14 the claim shall be rejected.

(c) If a counter-claim for the full value of the note has been received before the presentation of the claim or is received before payment of half the value of the note is made under clause (a), the prescribed Officer may order that one claimant be paid forthwith the full value of the note or that one or both claimants be paid forthwith half the value of the note or that both claims be rejected.

(2) Claims in respect of a mismatched note shall be deemed to be separate claims in respect of each half note thereof and shall be dealt with as provided in sub-rule (1).

12. *Obliterated and altered notes.*—A claim in respect of an obliterated or altered note or half note shall be rejected unless the prescribed officer is satisfied as to the identity of such note or half note and that the note or half note has not been fraudulently altered so as to appear to be of a higher denomination.

13. *Method of presenting certain claims.*—(1) A claim for the full value of a note—

(a) where a half note only is presented by the claimant, or

(b) where the note is alleged to have been lost or wholly destroyed, or where the portion of the note presented is neither a half note nor a mutilated note,

shall be accompanied by a signed statement (or if the prescribed officer so requires, an affidavit) asserting that the claimant was the last lawful holder of the entire note and detailing the circumstances attending the loss or destruction of the missing half note or note as the case may be, and by a statement obtained from the police or postal authorities of the result of the enquiry, if any, held by them.

(2) The prescribed officer shall consider the statements furnished and the affidavit, if any, and shall make such further enquiry, if any, as he may consider necessary.

14. *Disposal of claims under rule 13 (1) (a).*—(1) Where a claim is made under clause (a) of sub-rule (1) of rule 13 and a counter-claim has been presented in respect of counterpart of the half note—

(a) if the full value of the note has been paid, the claim shall be rejected;

(b) if half the value of the note has been paid, the prescribed officer may order half the value of the note to be paid to the claimant forthwith;

(c) if the counter-claim is pending, the prescribed officer may order that one claimant be paid forthwith the full value of the note or that each claimant be paid forthwith half the value of the note or that both claims be rejected.

(2) Where a claim is made under clause (a) of sub-rule (1) of rule 13 and the counterpart of the half note has not been presented—

(a) if the prescribed officer is not satisfied that the counterpart of the half note has been lost or destroyed in such circumstances that there is no probability of its being presented at some future date, he may order payment of half the value of the note forthwith;

(b) if he is so satisfied and is also satisfied that the claimant was the last lawful holder of the whole note he shall cause to be published in the *Gazette of India* and in three successive issues of the local Official Gazette a notification setting forth the particulars of the note of which one half is alleged to have been lost or destroyed and the name of the claimant and calling upon any person having any claim in respect of such note to submit the claim forthwith;

(c) if on the expiration of two years from the date of the first publication under clause (b) the counterpart of the half note has not been presented, he may invest in Government securities or deposit in the Post Office Savings Bank an amount equivalent to the full value of the note;

- (d) if on the expiration of a period which shall be determined by him but which unless the Central Board otherwise directs shall not be less than five years from the date of the first publication referred to in clause (b) the counterpart of the half note has not been presented, he shall deliver the securities or deposit referred to in clause (c) with any interest which has in the meantime accumulated thereon to the claimant, or if the claimant is dead, to his legal representative, on such claimant or representative executing a bond with or without sureties in the form set forth in Schedule I or II;
- (e) if before the expiration of such period the counterpart is presented with a claim for the full value or for half the value of the note, the proceedings under clauses (b), (c) and (d) shall be cancelled and the two claims shall be dealt with under sub-rule (1).

15. *Disposal of claims under rule 13 (1) (b).*—Where a claim is made under clause (b) of sub-rule (1) of rule 13—

- (a) if the prescribed officer is not satisfied that the note or the unpresented portion of the note has been wholly destroyed or lost in such circumstances that there is no probability of its being presented at some future date, he shall reject the claim;
- (b) if he is so satisfied and is also satisfied that the claimant was the last lawful holder of the note, he shall cause to be published in the *Gazette of India* and in three successive issues of the local Official Gazette a notification setting forth the particulars of the note alleged to have been lost or destroyed and the name of the claimant and calling upon any person having any claim in respect of such note to submit the claim forthwith;
- (c) if on the expiration of two years from the date of the first publication under clause (b) the note has not been presented, he may invest in Government securities or deposit in the Post Office Savings Bank an amount equivalent to the value of the note;
- (d) if on the expiration of a period which shall be determined by him but which unless the Central Board otherwise directs shall be not less than five years from the first publication referred to in clause (b) the note has not been presented and no subsequent claim in respect thereto has been substantiated, he shall deliver the securities or deposit referred to in clause (c) with any interest which has in the meantime accumulated thereon to the claimant or if the claimant is dead to his legal representative, on such claimant or representative executing a bond with or without sureties in the form set forth in Schedule III or IV;
- (e) if before the expiration of such period a subsequent claim in respect of the note is substantiated, the securities or deposit referred to in clause (d) shall be delivered in the manner provided in that clause to the person making such subsequent claim, or if such person is dead, to his legal representative;
- (f) if before the expiration of such period the note alleged to have been lost or destroyed is produced by the claimant or any other person, the proceedings under this rule in respect of such note shall be cancelled.

16. *Bonds.*—Printed forms, to be supplied by the Bank, shall be used in the execution of any bond required in pursuance of clause (d) of rule 14 or clause (d) of rule 15 and the value of the stamp on any such bond shall be recovered from the person executing the bond.

17. *Retention of notes by Bank.*—Save as otherwise provided in rule 9 and rule 10, any note presented in prosecution of a claim shall be retained by the Bank whatever be the decision on the claim.

18. *Procedure when payee is untraced.*—Where as the result of a claim under these rules the value or part of the value of a note is payable to a claimant, and such claimant, or if he is dead his legal representative, cannot be found or fails within a period of three months from the communication to him of the decision to take steps to receive payment; the amount payable shall be paid by the Issue Department of the Bank in the case of a currency note of the Government of India to the Governor General in Council and in the case of a Bank note to the Banking Department of the Bank.

OSBORNE A. SMITH,

Governor.

COMMERCIAL TREATIES AND NOTES AFFECTING INDIA.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I lay on the table a further list of Commercial Treaties and Notes affecting India, and also a copy of the agreement mentioned in Part II.

Part I.

The agreements mentioned in this part provides for the grant of most-favoured-nation treatment to the products and manufactures of India on terms of reciprocity.

It may be added that the Notes exchanged between His Majesty's Government in the United Kingdom and the Egyptian Government merely provided for the prolongation until February 16, 1935, under the same conditions as previously obtaining of the Provisional Commercial Agreement concluded between these Governments by the Notes dated the 5th and 7th June 1930. The question of a further extension is under consideration.

Country.	Nature of Agreement.	Description.	Date.
Egypt	Notes	Commerce	February 13/15, 1934.
Soviet Union	Temporary Agreement	Commerce	February 16, 1934.

Part II.

Agreements to which India is a party.

Yemen	Treaty	Friendship and Mutual Co-operation.	February, 11, 1934.
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Treaty of friendship and mutual co-operation between His Majesty in respect of the United Kingdom and of India and the King of the Yemen (with Exchange of Notes).

San'a, February 11, 1934.

(Ratifications exchanged at San'a, September 4, 1934.)

Preamble.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, on the one part, and His Majesty the King of the Yemen, the Imam, on the other part, being desirous of entering into a treaty on a basis of friendship and co-operation for their mutual benefit, have resolved to conclude this treaty and have appointed as their plenipotentiaries:

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India:

For Great Britain and Northern Ireland:

Lieutenant-Colonel Bernard Rawdon Reilly, C.I.E., O.B.E.;

For India:

Lieutenant-Colonel Bernard Rawdon Reilly, C.I.E., O.B.E.;

His Majesty the King of the Yemen, the Imam:

The Qadhi Muhammad Ragheb-bin-Rafiq;

Who, having communicated their full powers, found in good order and due form, have agreed as follows :—

Article 1.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, acknowledges the complete and absolute independence of His Majesty the King of the Yemen, the Imam, and his Kingdom in all affairs of whatsoever kind.

Article 2.

There shall always be peace and friendship between the the high contracting parties, who undertake to maintain good relations with each other in every respect.

Article 3.

The settlement of the question of the southern frontier of the Yemen is deferred pending the conclusion, in whatever way may be agreed upon by both high contracting parties in a spirit of friendship and complete concord, free from any dispute or difference of the negotiations which shall take place between them before the expiry of the period of the present treaty.

Pending the conclusion of the negotiations referred to in the preceding paragraph, the high contracting parties agree to maintain the situation existing in regard to the frontier on the date of the signature of this treaty, and both high contracting parties undertake that they will prevent, by all means at their disposal, any violation by their forces of the above-mentioned frontier, and any interference by their subjects, or from their side of that frontier, with the affairs of the people inhabiting the other side of the said frontier.

Article 4.

After the coming into force of the present treaty, the high contracting parties shall, by mutual agreement and concord, enter into such agreements as shall be necessary for the regulation of commercial and economic affairs, based on the principles of general international practice.

Article 5.

(1) The subjects of each of the high contracting parties who wish to trade in the territories of the other shall be amenable to the local laws and decrees, and shall receive equal treatment to that enjoyed by the subjects of the most favoured Power.

(2) Similarly, the vessels of each of the high contracting parties and their cargoes shall receive, in the ports of the territories of the other, treatment equal to that accorded to the vessels and their cargoes of the most favoured Power, and the passengers in such vessels shall be treated in the ports of the territories of the other party in the same manner as those in the vessels of the most favoured Power therein.

(3) For the purposes of this article in relation to His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India :—

(a) The word "territories" shall be deemed to mean the United Kingdom of Great Britain and Northern Ireland, India and all His Majesty's Colonies, protectorates and all mandated territories in respect of which the mandate is exercised by His Majesty's Government in the United Kingdom.

(b) The word "subjects" shall be deemed to mean all subjects of His Majesty wherever domiciled, all the inhabitants of countries under His Majesty's protection, and, similarly, all companies incorporated in any of His Majesty's territories shall be deemed to be subjects of His Majesty.

(c) The word "vessels" shall be deemed to mean all merchant vessels registered in any part of the British Commonwealth of Nations.

Article 6.

This treaty shall be the basis of all subsequent agreements that may be concluded between the high contracting parties now and in the future for the purposes of friendship and amity. The high contracting parties undertake not to assist nor to connive at any action directed against the friendship and concord now sincerely existing between them.

Article 7.

The present treaty shall be ratified as soon as possible after signature, and the instruments of ratification shall be exchanged at San'a. It shall come into force on the date of the exchange of ratification, and shall thereafter remain in force for a period of forty years.

And in witness whereof the respective plenipotentiaries have signed the present treaty and have thereto affixed their seals.

This treaty is done in two copies, in the English and Arabic languages, and, should doubt arise as to the interpretation of any of these articles, both high contracting parties shall rely on the Arabic text. Done at San'a in the Yemen, this eleventh day of February, 1934 A. D. (corresponding to the twenty-sixth day of Shawwal, 1352, A. H.).

MUHAMMAD RAGHEB-BIN-RAFIQ,

(L. S.)

B. R. REILLY,

(L. S.)

EXCHANGE OF NOTES.

No. 1.

Lieutenant-Colonel Reilly to the Imam.

(Translation.)

Your Majesty,

I have the honour to refer to my conversations with your Majesty's plenipotentiary relating to the present common desire of all enlightened nations to co-operate in the suppression of the slave trade, and to enquire whether your Majesty will enable me to convey to His Britannic Majesty's Government your Majesty's assurance that you will by every possible means assist them in their endeavours to prevent the African slave trade by sea.

B. R. REILLY,

His Britannic Majesty's Commissioner
and Plenipotentiary.

(Respects.)

San'a, February 10, 1934 (Shawwal 25, 1352, A. H.).

No. 2.

The Imam to Lieutenant-Colonel Reilly.

SEAL.

With inscription :—

(Translation.)

In the Name of God the Merciful and Compassionate !

After tendering our sincere respects, in reply to your esteemed note dated the 25th Shawwal, 1352 (corresponding to the 10th February, 1934), wherein you expressed a desire to have assurances from our Government as to the prohibition of the slave trade, we inform your Excellency that we agree to the prohibition of the African slave traffic, and we will command all our " amils (Governors) to do their utmost to prevent it in all the Mutawakkili (Yemen) country and ports.

(Respects.)

(L. S.)

San'a, Shawwal 25, 1352, A. H. (February 10, 1934).

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meeting held on the 8th April, 1935, namely:

A Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, and

A Bill further to amend the Indian Mines Act, 1923, for certain purposes.

INDIAN TARIFF (AMENDMENT) BILL.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I move:

"That the Bill to amend the Indian Tariff Act, 1934, for certain purposes, as passed by the Legislative Assembly, be taken into consideration".

Sir, in the course of the present session, this Honourable House has had an opportunity to discuss the case for and against the retention of an import duty on foreign wheat and also to discuss the question of the desirability of the imposition of a duty on rice imported into India. In view of the very definite expressions of opinion that were given by this Honourable House on these occasions, there is no necessity for me to undertake any justification of the principles underlying this Bill. It will be sufficient, I trust, if I endeavour to explain the reasons which have led the Government of India to propose the duties on the levels which they have done. In the first place, it is proposed to reduce the import duty on wheat from Rs. 2 per cwt. to Rs. 1-8-0 per cwt. The real object of the wheat import duty is to preserve for the Indian wheat grower the Indian market for wheat, and the point I have to make is that the duty of Rs. 1-8-0 per cwt. which is now proposed is sufficient for that purpose. When the Wheat Import Duty Act was first passed in 1931, one of the most important factors which threatened danger to the Indian wheat grower was the stock position in the great wheat-producing countries of the world. At that time the stock position was in excess of normal, and for the next three or four years, that position continued to be abnormal. In 1932-33, world stocks amounted to the very large figure of 692 million bushels. Last year, when the Wheat Import Duty Act was continued for another year, world stocks were not far below that record. In the present year, however, whether by reason of the co-operated effort of the great wheat producers or for any other reason, the situation is very materially altered. World stocks now stand at 400 million bushels only, a figure which is lower than any that has been recorded since 1927. That, Sir, is a statistical position which favours a hardening of prices. This most definitely, in view of the previous history of stocks, constitutes a bull position. But it is not only outside of India that circumstances have altered. The position is different in Indian markets also. Let me in the first place compare the competitive power of Australian wheat as it was in 1931 with what it is at the present day. In 1931 Australian wheat was being landed ex-duty in Calcutta at a price of Rs. 2-7-0 per maund.

The corresponding figure in 1935 at the end of March was Rs. 3-4-0 per maund. The lowest figure that has been reached in the present year is Rs. 2-15-8 a maund. That was about the 23rd of January last. The difference is something like 8 annas a maund, or roughly 11 annas per cwt. Indian wheat is to that extent in a better position to compete. But that is not all. In 1931, in order to bring Lyallpur wheat to Calcutta it cost Rs. 1-3-6 by way of freight and charges. The corresponding figure today is Rs. 1-0-8. The difference is roughly 4 annas per cwt. So combining those two factors, we have 11 annas advantage in one way and 4 annas in another, so that the position of Indian wheat *vis-a-vis* Australian wheat is today 15 annas better than it was in 1931. It might even be argued from that figure that the duty we propose, namely, Rs. 1-8-0 is even larger than necessary. But let us look at things in another way. Let us make a comparison of prices as they are today. The average price of Lyallpur wheat in the month of January last, including all charges, was Rs. 3-8-1 per maund at Calcutta. The average price of Australian wheat for the same period was Rs. 3-0-4. The difference was roughly 11 annas per cwt. in favour of Australia. That is to say something like 13 annas of margin was provided by the duty we now propose. But it may be said that I have used this method of averages in order to conceal particular cases that might reveal flaws in our armour. Well, to meet that argument I have compared the week to week record of prices of Lyallpur wheat in Calcutta and Australian wheat in Calcutta from the beginning of the year up to the end of March, and the maximum disparity occurred on January 23rd when the advantage in favour of Australian wheat amounted to 14 annas per cwt. But even then, at the worst, the margin that we have provided amounts to 10 annas. I have mentioned, Sir, that world stocks are such as give reason to believe that wheat prices would develop a hardening tendency. Facts have not belied these expectations because Australian prices have shown a definite trend upwards since the beginning of the year. In the middle of February Australian prices were cheaper by as little as 2 annas 3 pies per maund. In Calcutta by the end of March that difference had been wiped out and the balance was the other way. My latest information is that Australian wheat could not be landed in Calcutta at the present time at a price which is less than 4 annas more than the price of Lyallpur wheat in Calcutta. On the top of that 4 annas we have the whole Rs. 1-8-0 of the proposed duty, and I hold that a very adequate safeguard is provided for Indian wheat and that the duty proposed will in effect preserve the market for the Indian grower. (*An Honourable Member*: "In view of these figures is it necessary to continue any duty at all?") Sir, Honourable Members will have a chance later on to make their points and I will endeavour to deal with them. Of course, Sir, it may be said that this duty of Rs. 2 has very fully done what was asked of it. It has maintained the Indian market for the Indian grower. Why change it? Well, Sir, if it is the opinion of the Government of India, if it is the opinion of this Honourable House, that a duty as large as Rs. 2 is unnecessary, then it is as incumbent on the Government of India as it is on this Honourable House to reduce the duty to a more reasonable level. When this Honourable House in 1931 passed the Wheat Import Duty Act it committed itself to that position, since there was a provision which called upon the Governor General in Council to reduce the duty in circumstances when it had proved excessive. But that, you may say, is an entirely theoretical argument. Are there any other reasons why the duty should be reduced? Well, Sir, in the first place, if we have an unnecessarily high duty it provides a margin within which the speculator can operate before healthy competition from outside can intervene, and when the speculator is operating if there is one thing more certain than anything else it is that

[Mr. T. A. Stewart.]

the speculator is getting the profit. Not a penny of it goes to the grower. In the second place, though I do not wish to be a Jonah in this matter, one has got to consider the possibility of scarcity conditions in India. Should a condition of scarcity arise, an excessive duty would directly penalise the consumer precisely at a time when there is a necessity to get additional supplies into India. You would keep these out by an excessive duty and give rise to scarcity prices within India. In the third place, Honourable Members will remember that it is not so long ago that India was a very considerable exporter of wheat and the time may not be very far off when it will be necessary for India, in order to dispose of her surplus stock of wheat, again to sell in outside markets. Now, before India can sell in outside markets, the Indian price has got to accommodate itself to world parity and an excessive import duty will tend to retard this process and by retarding this process will prevent India getting a fair share of outside markets. For these reasons, Sir, the Government of India have proposed a duty of Rs. 1-8-0 which, while providing a certain amount of insurance against downward fluctuations, will be sufficient to maintain the market for Indian wheat without an excessive demand on the consumer and without giving any privileges to the speculator.

A subsidiary proposal is that the same duty should be imposed on wheat flour. In proposing the same duty, we are simply following the precedent of the original Wheat Import Duty Bill when the wheat flour duty was proposed as an amendment by representatives of the milling interests and was accepted by Government.

Let me now turn to rice. In the course of the debate which was initiated by the Honourable Diwan Bahadur Narayanaswami Chetty the salient facts of the rice situation were fully brought out. It was then shown that of the very large quantity of 400,000 tons of rice which had been imported in the past year by far and away the greatest amount consisted of broken rice; some 75 per cent. of the rice imports consisted of broken rice. It was also pointed out that the officer who was specially appointed by the Government of Madras to investigate the rice situation had said that it was broken rice that was the real danger to the Madras producer. In considering what duty should be imposed on imports of rice the Government of India have borne in mind these considerations; but there was another consideration. It must be known to Honourable Members that in certain districts of the Madras presidency a severe food scarcity exists; it may almost be called famine conditions. I may be reminded that in those districts, in Bellary and Anantapur, the people affected are not rice eaters, but to that I would reply that there is a fairly considerable portion of the population to whom millet and rice are alternative food grains and if the price of rice is unnecessarily raised it cannot but react on the price of the alternative food grain. The Government of India in these circumstances have felt it incumbent on them to see that the import duty should be imposed only on those imported varieties which constitute a real danger to the Madras grower; and, as has been pointed out, that danger arises from the imports of broken rice and it is to broken rice only that the import duty is made applicable. In determining the level of the duty to be applied, comparison has been made between the prices of the imported broken rice and the price of Rangoon big mill specials. This is a quality which is very largely imported into the Madras presidency and it is one the price of which is determined by world conditions and is not likely to be affected by local variations or special local conditions. A record of prices which had been kept over a considerable period at Cochin was the basis of comparison and it was found that the average difference between the price

of broken and the price of big mill specials was 8 annas per maund. This figure was confirmed by an investigation that was carried out last summer by the Burma members of the Crop Planning Conference. They found, entirely separately, that 8 annas per maund was the import duty which was necessary to place big mill specials again in a competitive position; but as we have decided to impose this duty on broken rice only and as broken rice is, in a sense, a bye-product of the main milling industry it was felt that there was a certain amount of danger of a greater reduction in the price of these broken than there would have been in the case of whole rice. For this reason, Sir, the Government of India have thought fit to make a 50 per cent. addition to the figure which had been arrived at after calculation, the resulting proposal being 12 annas per maund.

In conclusion, Sir, I would point out that both those duties which we propose are characterised in the Tariff Schedule as protective duties and should they prove ineffective for the purpose for which they have been designed section 4 of the Indian Tariff Act gives the power to the Governor-General in Council to increase those duties to the extent that may be necessary by notification in the Gazette of India. Sir, I believe that I have justified the levels of duty which have been proposed by Government. They are adequate for the time being. There is provision for their enhancement should they in future prove inadequate. I therefore, Sir, commend the Bill to the House. Sir, I move.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, may I ask one point—

THE HONOURABLE THE PRESIDENT : Order, order. You will have ample opportunity of ventilating your point.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I want to ask him—

THE HONOURABLE THE PRESIDENT : At a later stage, please.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, as a representative of Burma which is one of the largest rice-producing countries in the world and as a person who has got his home in Madras, which has got a very large area of rice, I have very great pleasure in welcoming this Bill which gives a measure of protection to the rice industry, though I consider the protection given is half-hearted and inadequate. I have carefully listened to the speech of the Honourable the Commerce Secretary, but I am not quite satisfied if a duty only on broken rice will meet the situation. Probably the duty of 12 annas per maund of broken rice may be justified. Broken rice is a product which is generally taken by the poorer classes and the duty of 12 annas will be helpful having regard to the interests of the consumer in some of the famine stricken areas; but the whole point is whether, if the dumping of broken rice is prevented, there is not any likelihood of whole grain rice and paddy being dumped into Madras and other places to the detriment of the Indian producer. Is the Government in a position to assure this Council that the duty imposed on broken rice is enough to meet the situation and that there is no danger for the indigenous rice produced in Madras? That is the first point on which I would like to be assured.

[Mr. P. C. D. Chari.]

The second point is whether, in view of the fact that section 4 gives them the power to increase the rate of duty, it will avail the Government to impose any duty on rice and paddy also if there is dumping of rice and paddy. From what the Honourable Commerce Secretary said it is certain that the Government has no power to impose any duty under section 4 of the Act to prevent whole rice and paddy being dumped into Madras and other places. Sir, this is a very unsatisfactory state of things and unless we are assured that by preventing the dumping of broken rice we can also prevent the dumping of whole rice, the position of Madras will be as serious as before because they will be faced with another difficulty. In these circumstances, I am justified in saying that the protection given is very inadequate to meet the situation. I think, Sir, that the Government of Madras cannot be accused of not taking a proper view of the situation and the Government of Madras has been insisting on a duty upon rice and paddy, not only upon broken rice. Probably as the figures stood, 75 per cent. of the imports consisted of broken rice but what guarantee is there that the broken rice will continue to form a large proportion of the rice imported into Madras? Sir, in these circumstances, I am inclined to think that the Government is more solicitous about the susceptibilities of France than the protection of the interests of the producers of rice. I am aware, Sir, that Siam and Indo-China are rice-producing countries. Though our trade balance with those countries is only to the extent of Rs. 30 to Rs. 40 lakhs, I am also aware that our trade balance with France is about Rs. 5 crores and France is in a position to retaliate inasmuch as there is this trade balance, and Madras groundnuts may suffer. But what we are asking and what the Rice Planning Conference recommended is a very reasonable rate of duty to prevent dumping from Indo-China and France. They recommended that a duty of Rs. 1-4-0 per maund on imported rice and of 15 annas per maund on paddy may be levied. They cannot be accused of making a proposal which is not borne out by the needs of the case, and the Government of Madras have been insisting upon a higher duty than the one proposed not only on broken rice but on whole rice as well. In these circumstances, I think the Government would do well to revise their views and if in the meantime before the Simla session there is a real danger of dumping of foreign imported whole rice and of paddy from those countries, I hope and trust the Government will take immediate action in the matter and will bring forward a Bill for giving protection not only to indigenous broken rice but also the rice and paddy grown in Madras and other rice-producing provinces. Those are my remarks with reference to rice.

As regards wheat, Sir, having listened carefully to the Honourable Commerce Secretary's speech on the question of wheat and the justification for reducing the duty from Rs. 2 to Rs. 1-8-0, I am convinced that the reduction proposed is a step in the right direction and is called for, having regard to the interests of both the consumer and the producer in the country. If at all, I am inclined to think that there is need for further reduction of duty and the Government should keep this end in view and see if they can further reduce the duty when conditions permit. At any rate, it cannot be said that the reduction and the maintenance of the duty at Rs. 1-8-0 will not be adequate for the purpose. There may be a case for further reduction and if they do not do it now, I hope the case of other consuming provinces may be kept in view in making further reductions as conditions permit.

With these words, Sir, I support the Bill.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab Non-Muhammadan): Sir, I will confine my remarks to wheat and flour and leave the matter of rice to other Honourable Members who are more interested in the production of this edible.

Sir, in 1925-26 the import of Australian milled wheat began and in that year 35,418 tons of wheat were imported from Australia; in 1926-27, 40,411 tons; in 1927-28, 68,910 tons; in 1928-29, 529,456 tons; in 1929-30, 357,036 tons; in 1930-31, 232,034 tons; in 1931-32, 111,269 tons; in 1932-33, 33,482 tons; in 1933-34, 18,298 tons; and up to the 31st December, 1934, the imports have been 2,969 tons; notwithstanding the import duty of Rs. 2 per maund. This shows, Sir, that the imports are dwindling down and that the present protective duty has prevented Australian flour from coming in. But, Sir, as the Honourable Commerce Secretary observed, as the world stocks have now decreased from 692 million bushels to about 400 million bushels, the danger of the import of wheat into India is minimised.

Sir, from the figures of the production of Indian wheat we find that what stocks of wheat, I mean the surplus stocks, had not much effect upon the prices of wheat. I will, Sir, therefore give some figures of the same year for which I have given the figures of the import of Australian wheat. In 1925-26, the production of Indian wheat was 8,696,000 tons; in 1926-27, it was 8,973,000 tons; in 1927-28, 7,791,000 tons; and in 1928-29, 8,507,000 tons. In this year, Sir, although the stocks did not increase appreciably as compared with the previous year, when our production of wheat was 7,791,000 tons, there was a greater disparity between the quantity of Australian wheat imported into the country, as I have shown the imports of Australian rising from 68,910 to 529,456 tons. We have to see what has been the difference in prices. The Honourable Mr. Stewart says that the latest prices show that there is a margin of about 10 to 11 annas in the price of imported wheat. According to my figures, Sir, which I have taken from the Stock Exchange Report, price of Australian wheat for a quarter of 480 lbs. was 22s. 6d. f.o.b. Karachi. For Indian wheat, the comparative price was Rs. 22-7-0 per candy of 656 lbs. at Karachi and the Bombay equivalent was Rs. 4-4-4. The f.o.b. Bombay equivalent of Australian wheat was Rs. 3-8-9½. So, the difference was 11 annas 7½ pies. Thus, I find that as far as wheat is concerned, at present a duty of Rs. 1-8-0 is sufficient, but in case of further adverse variation of prices, Government will come to the rescue of the Indian producer by increasing this duty. Now, I come to the question of flour. I can well understand the reduction of duty on the import of flour when the duty on the import of wheat has also been reduced. In 1931, at the instance of the flour millers, Government agreed to raise the import duty on flour from Rs. 2 to Rs. 2-8-0. Now the difference has been equalised. Though apparently the duty on flour would be the same as on wheat, it will actually work out lower, for, supposing we import 100 tons of wheat paying Rs. 3,000 duty thereon and manufacture flour thereout, we would be taking out say 70 tons of flour which would bear the burden of the duty of Rs. 3,000, while 70 tons of flour imported would have to pay a duty of Rs. 2,100 only, and this will amount to a preferential duty on foreign flour to the extent of 40 to 50 per cent. which no Government having the interest of the indigenous industry at heart would ever do.

THE HONOURABLE MR. T. A. STEWART: Might I ask the Honourable Member a question? Did I understand him to say that the duty on wheat flour was raised from Rs. 2 to Rs. 2-8-0 at the request of the flour millers?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That is my information, Sir. In this connection, I would give some figures showing

[Rai Bahadur Lala Ram Saran Das.]

how the export of Indian flour has been affected. In 1929-30, the export of flour was 50,660 tons; in 1930-31, it fell down to 46,909 tons; in 1931-32, to 42,724 tons; in 1932-33, to 20,790 tons; in 1933-34, to 12,536 tons and during the months ending 31st December, 1934 to 8,306 tons. This shows that the price of flour being higher for export, our exports ceased. The effect of that was that a number of flour mills at our ports had to close down. Although my friend the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra wanted to move an amendment to increase the duty on flour, I was very sorry to learn from him that His Excellency the Viceroy did not allow him to move that Motion.

THE HONOURABLE THE PRESIDENT: At this stage, you should not anticipate the amendment.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: So, Sir, in case the necessity arises and dumping of flour from other countries comes into effect, I hope Government will in case of need come to the rescue of the indigenous industry of India. The decline of the export trade will prove to you, Sir, that so much export of flour made from Indian wheat has been stopped. So, we have missed the custom duty for that amount of Indian wheat. I consider it rather a healthy sign for keeping the price level in check. But if the wheat importers are allowed to dump in India, the conditions of the flour mills, especially at the ports, will be simply miserable and they will be driven to the wall. In those years of 1924-25, I may cite to you an instance of Bombay where there used to be five big mills working full time, nothing to speak of the four smaller mills. Today, the export trade having been snatched away, there are only two big mills working and two small mills. This process of elimination has been brought about in the last decade due to various reasons. It started with the inflation of currency in Australia which enabled that country to gradually push off the Indian flour from other foreign markets. Added to that was the indirect tax of 12 per cent. brought on by the changing of the ratio from 1s. 4d. to 1s. 6d. on the exports from India which practically meant the death knell on exports from India. The mills in anticipation of some relief at one time or other tried to keep the foreign markets even at a sacrifice to themselves but that could never be expected to continue long and the result is what you see today. I am told that Karachi mills are also not faring well and even the three principal mills there had also to cut down their products continuously for a long period last year. The reduction of the working of these mills and ports will naturally affect the consumption of the local wheat and reflect that much on the prices of that product of India. One might at this point ask that the Australian wheat has taken the place of the local wheat in past years, but if a careful student were to look at the figures of the crops and the imports of Australian wheat, he will find that the import of something like 529,000 tons of Australian wheat in 1928-29 was simply due to the abnormally low crop of 7,791,000 tons in 1927-28 instead of its normal crop of about 9,000,000 tons. Owing to that big shortage, the country was in sheer need of that supply and the imports since then had gradually fallen off. Previous to that, the imports were very insignificant and still the foreign trade was maintained by using the local wheat. So, in this case it is really to the benefit of the cultivators that they should help the industry to be able to retain its fallen trade in order to help themselves.

Now, I come to the question of the impending danger of the competition from different countries into India and I will for the present restrict myself

to the probability of France competing with us in our own markets. To a layman it would appear ridiculous but here it is not so. Very few must be aware that France is giving a subsidy of 76 Francs per quintal of 220 lbs. for export or denaturing which amounts to practically Rs. 6-12-0 per 112 lbs. With this amount of subsidy it would not be surprising to see France competing with any country in the world. Today our foreign markets of Aden and Red Sea ports have been simply dumped with French flour and the Indian flour stands not a ghost of a chance in those markets nowadays. As it is today the wheat market if it were to go up only by 6 to 8 annas per cwt. and sympathetically the flour prices will necessarily have to follow that much on the present level, you can rest assured that French flour will get a footing in Indian markets even with the present duty of Rs. 1-8-0 as is proposed to be put. Had it not been for the prohibitive duty of Rs. 2-8-0 per cwt. the French flour would surely have found its way to India about six weeks back when the wheat and flour prices were ruling high before the advent of the last beneficial rains in the wheat-growing areas. It is for this reason that I put the case of the flour mills for the due consideration of Government as well as the Honourable Members. I may here draw attention to the fact that before the imposition of this prohibitive duty both on wheat and flour there was an *ad valorem* duty of 15 per cent. on the import of flour which I believed the Government would retain as in the past. But on an inquiry from the Commerce Secretary I learnt that that *ad valorem* duty is being done away with. In case I am wrong the Commerce Secretary will correct me.

THE HONOURABLE MR. T. A. STEWART: Sir, the proposal is that a specific duty of Rs. 1-8-0 per cwt. should be imposed on wheat and flour. That is the proposal of the Bill before the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: And no extra duty *ad valorem* will be charged hereafter?

THE HONOURABLE MR. T. A. STEWART: No.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What a pity!

Sir, I should also mention that the surplus of wheat in France in December last was 13½ million quintals, which is roughly 26 lakhs of tons (more than 2½ million tons) or say one-fourth of the normal produce of wheat in India. And if the French Government gives them any increase in the subsidy there is a chance of wheat being dumped into India by France.

With these words, Sir, I request the Government to bear in mind the prices of import of all this foreign wheat and flour, and if there is any necessity they should immediately raise the duty to protect the Indian industry if they are not prepared to retain the present duty.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan): Sir, we are thankful to the Government that at long last they have realised that the import of foreign rice is seriously affecting the Indian market for the Indian grower. At the same time we are sorry that even after having realised this the Government have not seen their way to propose a remedy which would have effectively met the requirements of the situation. The duty of 12 annas per maund is obviously too little. It can never act as a deterrent. Since it is so small and applies only to one variety of rice, the effect of this measure will not be to prevent, to any appreciable extent, the dumping of rice into the country. Even if the quantity of broken

[Saiyed Mohamed Padshah Sahib Bahadur.]

rice imported is reduced, which too is very doubtful, it is certain that imports of other varieties will continue, and paddy, whole grain rice and boiled rice will continue to be dumped into the country. Therefore it is obvious that unless this duty is raised and is also made to apply to other varieties of rice, the Indian grower will not receive the necessary protection which he so badly requires. Even in the case of broken rice I am afraid this will not improve matters very much. The class of indigenous rice with which the Siamese stuff enters into competition sells at about Rs. 4 to Rs. 5 per maund in Madras and Siamese rice costs about Rs. 2-8-0. Therefore it is patent that even with this duty of 12 annas, Siamese rice will be available at a much lower price than the indigenous stuff. It is difficult to see how the Government could have arrived at this figure of 12 annas. From what the Honourable Commerce Secretary has just said, we find that in fixing the duty on wheat the Government had thought it wise to fix it at a level which was higher than appeared to be necessary. But in respect of rice they seem to have been somewhat too cautious. The fact that in some districts of Madras, Bellary and Anantapur, there is said to be scarcity of food and they use rice now and then should not have been allowed to persuade the Government to deny the proper remedy in this matter. I know those districts very well and the staple article of food there is not rice. Therefore, even if rice is used by the people there occasionally that fact should not have gone to induce Government to fix the duty at a much lower figure than what is required by the facts of the case. The Crop Planning Conference had investigated this matter and that Conference of experts had viewed the matter from the point of view both of the consumer and of the producer and reported that the duty to be imposed should be one which would give effective protection. With that end in view they had recommended Rs. 1-4-0 per maund. I wonder how the Government in the face of this recommendation thought that 12 annas would meet the needs of the situation? Again, it is obvious the Government themselves admit that this question of rice affects my province in particular and Government is aware of the opinion held in Madras regarding the duty that is proposed to be levied. Both the people and the Government of Madras are not satisfied with the amount of the duty proposed. An Adjournment Motion recently adopted in the Madras Legislative Council makes it quite obvious that in the opinion of the people and Government there the duty proposed is much too small. However, I hope that since the Government have at least recognised the necessity of giving some sort of protection to the rice growers in Madras, they will, if experience shows that this duty does not serve the purpose for which it is intended, see their way to increase the duty and satisfy the requirements of the situation.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal: Non-Muhammadan): Sir, I have listened with attention to the speech of my Honourable friend Mr. Stewart in moving this Tariff Bill, and the facts and figures put forward by him as arguments in favour of the imposition of a duty on wheat. But still I am unconvinced of the necessity of imposing a duty on the scale proposed, not to speak of a duty at all. The import duty was originally imposed as a temporary measure about four years ago. At that time we were told that there was an exportable surplus in wheat grown in the world, and the price of wheat in India was above world parity. A duty of Rs. 2 per cwt. is in existence for the last four years in spite of the vehement opposition of the consuming province of Bengal. I want to know whether, due to the existence of this duty, there has been an

appreciable change in the exportable surplus of wheat grown in the Punjab? Has the home market been able to consume the whole amount of the home production? We are now informed by the Honourable Commerce Secretary that there has been a considerable reduction in the railway freight from the principal wheat-growing areas to the port towns of Bombay, Calcutta and Karachi. But, Sir, has that brought down the price of Indian wheat to a level with the world price? Has it stimulated any export? Suppose by some unfortunate circumstance the level of world prices of wheat go up, then the Punjab and other wheat-growing areas would naturally find it to their advantage to export wheat to other countries and they would not think of the consumer of this country. In these circumstances would Government then be prepared to impose a prohibitive export duty to secure home markets to the home consumer? That is a plain question, which I would like to put to my Honourable friend, the Commerce Secretary. Are you or are you not prepared for the sake of protecting the Indian consumer to impose an export duty on wheat when, as a result of the levelling up of world prices, there is more and more export of wheat from India?

Sir, so long as in India we have a surplus of wheat for export, it is the world price that would govern the price in India and the only effect of the duty would be to unnecessarily impose a burden on the consumers. Coming as I do from a province which has to depend on her supply of wheat on other parts of India, this measure has the effect of raising the price of the foodstuff in Bengal and cannot therefore have my support. We in Bengal suffer from an over-production of rice and jute and our produce does not find a ready market, with the result that our purchasing power is limited. Any measure which raises the price of foodstuffs therefore is surely a heavy burden on the consumer. The case of the Bengal agriculturists and consumers has on various occasions been ably represented before the Government of India, but, Sir, with very little result. They are not fortunate in this respect like their brother agriculturists of the Punjab and the United Provinces. I do not for a moment cavil at the good fortune of the Punjab agriculturist, but the good fortune of the Punjab is the misfortune of the rest of India. If the Government is anxious to help the wheat growers of the Punjab, let them do so by a further reduction in the railway freight and not by the imposition of this duty which is a heavy burden on the consuming provinces.

Sir, I know I am not strong enough and my voice is feeble, when I am to fight against the vested interests of the Punjab and United Provinces, I do not belong to a martial race, like my Honourable friends from the Punjab and the United Provinces, who are classed as martial classes, but, Sir, I would be failing in my duty if I do not bring out what affects my consuming province of Bengal. In the name of Bengal I oppose this duty.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces: Nominated Non-Official): Sir, it was only a few days ago that this Council gave its final decision on the Resolution which I had the honour to move in this House and that decision was that the Government should continue to give the protection which was enjoyed in past years by wheat growers. To this, Sir, Government was a consenting party. If the votes of that day are examined, it will be seen that the Government as a whole supported that Resolution. After that Resolution had been accepted by Government, I find that there has been a change in policy since then. The Honourable the Commerce Secretary was very careful in telling the House that the Government

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wanted to make a full statement later on, and I did not understand at that time that the Government was going to make a fuller statement in some other place by reducing the duty: because they knew full well that if that Bill had come before this House and the other House, this House would have been in perfect order to move an amendment of Rs. 2 instead of Rs. 1-8-0. Government now takes shelter behind a technical point, because they have seen their way to move—

THE HONOURABLE THE PRESIDENT: Order, order. You are not speaking on the original Motion; you are now anticipating the amendment.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: No, Sir. I am saying this, that the Government has moved Rs. 1-8-0. That is the Motion of the Government, that the duty should be Rs. 1-8-0, while in the past year it was Rs. 2 per cwt.

THE HONOURABLE THE PRESIDENT: The reasons have been explained by Mr. Stewart.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I am coming to the reasons. I do not agree with those reasons. Unfortunately, there is a difference of opinion between myself and the Honourable Commerce Secretary on this point. Sir, whatever may have led the Government to bring this Bill at a time when we are powerless to move any amendment, the fact remains that the House endorsed one principle that the protection should continue as it was in the last year and that was at Rs. 2 per cwt. Now, Sir, the Honourable the Commerce Secretary has given figures which throw light on the matter if they are properly explained. My Honourable friend said that on the 21st of January, 1935 the price of Australian wheat was Rs. 2-15-8. Now he says that the railway freight is Rs. 1-0-8 per maund from Lyallpur to Calcutta. Now, Sir, if we deduct Rs. 1-0-8 from Rs. 2-15-8, that shows that the Lyallpur man cannot compete with Australian wheat unless he sells his wheat at Rs. 1-15-0 per maund at Lyallpur. If a man is selling wheat at Rs. 1-15-0 per maund at Lyallpur this means more than 20 seers to the rupee, as I explained at that time that no agriculturist can produce or even go on producing wheat unless he can sell his produce in the nearest market at 13 seers to the rupee. My friend wants the agriculturist to sell his produce at more than 21 seers to a rupee.

THE HONOURABLE MR. T. A. STEWART: May I interrupt the Honourable Member? I think he is leaving out an amount of Rs. 1-8-0 in his calculation; he is leaving out of account the duty element.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Sir, when you were pleased not to let me interrupt the Honourable Member, I was not going to interrupt but I wanted from him on the floor of this House this very information, as to the quantity that had been imported from Australia and what was being done with Australian wheat; and I have come to know that Australian wheat is really purchased free of duty by the mills which happen to be erected by foreign capital in Bombay, Calcutta and Karachi. Any reduction in duty is entirely meant to give protection not to the Indian wheat grower but a reduction has come in in order to afford proper facility to the all-powerful element of the people who own factories in Calcutta and Bombay for the

purpose of grinding the wheat into flour and exporting it to Egypt and other places. Unfortunately, Sir, our country is used, because it has got cheap labour, for the purpose of putting up mills which are of no good to this country, which are not meant for the purpose of benefiting this country but which are meant simply for profit to be gained by people outside India; even income-tax would not be paid on those sums. In this manner we find that India is not gaining by these mills and these mills are ruining the country by keeping up the low price level of wheat in this country. I fully endorse this idea that the policy of the Government should be to keep up the Indian market for the Indian wheat grower. But at what price? Will there remain any wheat grower? That is the question I sincerely ask and if the present conditions go on, Government will find that they are ignoring the fact that there is a tendency for people to stop growing wheat in India. If my Honourable friend accompanies me into the villages he will find that nowadays a wheat grower is not living on wheat. If we had not so many sugar factories put up during the last two or three years, probably all the tenants would have gone. My Honourable friend the Leader of the House comes from a province which is not so much a wheat-growing province as the Punjab and he will support me in saying this and in verifying the amount of reduction of land revenue which has been made in the United Provinces and how much rent has been remitted by the United Provinces Government on this account, because the ryot has no money to pay. Why? Because he cannot put up his produce on the prices which are prevailing. If he produces he cannot pay his debts. Moneylenders cannot get back their money. Zemindars cannot get their rent. And so the Government is asked to forego its revenue. This is the policy to which the present conditions have driven them. And if these conditions go on, the Government should realise that they are forcing the village people into Bolshevism. The Government for their own safety and in the interests of good government must realise that they must keep the villages fully contented and they should not support the interests of the few people who happen to have invested their capital in the port towns to the detriment of the wheat growers. If they go on ignoring their interests and do not listen to the advice of those who are as much interested in keeping law and order in the country as the Government themselves, they will not only ruin the administration but bring disaster on those who side with the Government. This, Sir, is my sincere advice to the Government as to the policy they should adopt in this matter and it is very deplorable that Government cannot foresee these developments. I think, Sir, the duty ought to have been Rs. 2 and the Government can keep the power of enhancing the duty at any time. I do not think, Sir, as has been suggested by some people outside, that the middleman will reap the benefit and neither the producer nor the consumer. If the duty is fixed at Rs. 2 the price level will rise higher and if the price rises to a higher level then the agriculturist will gain and will have something to pay towards his rent and purchase his requirements and daily necessities without which he cannot go on. The people are now leaving the villages and running into the bigger towns in order to find some employment, while in 1922-23, when the price level of wheat was very high, the people were willing to leave their vocations in the big towns and go back to the villages and engage in agriculture. But nowadays, Sir, the reverse is the rule, and if this state of things continue, the Government will be faced with a serious problem. It may be warded off for a short time but complication upon complication will arise in the country which it will not be easy to solve. Honourable Members must realise that the Congress has been so successful not because people think about the Congress but because they are tired of this duty and they say: "Let us try the Congress which may bring some peace or prosperity." I will never believe that people

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sympathise with the Congress ideal but they simply want to try something else. Is Government going to allow these conditions to prevail in the country?

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : Did I understand you to say that in the Punjab you have to sell your wheat at 21 seers for the rupee? Well, if—

THE HONOURABLE THE PRESIDENT : Order, order. This cannot be allowed. Will the Honourable Member please proceed? I would request him, however, not to repeat his arguments over and over again, or to paraphrase them.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Now, Sir, having come to this question, I think that as the explanation has been given by the Honourable Commerce Secretary that there are still 400 million bushels surplus outside India which are ready for import into India if the price level goes a little in their favour, I think, Sir, by putting down the duty at Rs. 1-8-0 we will be inducing those people to sell their goods and the experiment which the Government are proposing to make—

THE HONOURABLE THE PRESIDENT : You are referring again to a point which you disposed of 15 minutes ago.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : If these 400 million bushels find that they can be imported with 8 annas profit to themselves, the Government will not be able to take any step or enhance the duty before these 400 million bushels are dumped in Bombay and Calcutta and it will be too late for them to take any step, and I think, Sir, that will ruin India and its produce for two or three years to come. I, therefore, think, under these circumstances, the Government will be well advised not to give them any hand and to keep the duty at Rs. 2 if they can possibly do so. But, Sir, as far as the Bill before us is concerned, I cannot say I oppose it because we are quite ready to take whatever is given. It is much better to have Rs. 1-8-0 than nothing. Therefore we are forced to accept and support this Bill which we do very reluctantly and I would have asked for something better than this but something is better than nothing and therefore I have to support this Bill.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) : Sir, the object underlying the imposition of import duty on wheat from the very beginning was to protect Indian wheat against competition with wheat imported into India from foreign countries. The general economic depression throughout the world had its effect on India also and particularly in regard to agricultural produce. It resulted in an abnormal fall in prices all through and this fall in prices is the sole cause of the present deplorable condition of the agriculturists. To say the least of it, the zemindars and the cultivators which comprise nearly 80 per cent. of the population of this country are living on the verge of starvation and I will not be exaggerating if I say that the majority of them are in an actual state of starvation.

Sir, the agriculturists are supposed to be the backbone of every Government. Time was when agriculture was thought to be the noblest of all professions. There are manifold demands made by Government on this class of people, the chief of which are land revenue, water rate, local rates and *sawai*. These taxes are a permanent source of income to Government. Before the fall in prices, the agriculturists have been paying these taxes to the Government without any grudge or complaint. The reason for this was that they had sufficient margin to pay up these demands owing to their produce fetching high prices in the market. As I have said before, the fall in price of their produce has reduced them to a state of poverty and, as a matter of truth, they are quite unable to pay up their land revenue and water rate without selling some of their own belongings, such as cattle and ornaments. The worst of the matter was that in competition with wheat imported into India from foreign countries, they were unable to sell their wheat because the foreign countries managed to sell their wheat at a cheaper rate than the Indian wheat. It was with a view to safeguard the sale of Indian wheat against foreign wheat that the Government of India had thought it advisable to impose a duty of Rs. 2 per cwt. on the import of wheat from foreign countries. The result of this was that the Indian grower was able to sell his produce within the country, though at a decidedly low rate, say Rs. 2-4-0 or Rs. 2-8-0 per maund because there was no demand for it in the foreign markets. By selling his produce at such a low rate, the agriculturist however was in a position to manage payment of his land revenue and water rate, etc., to the Government.

I cannot say how far the necessity for the imposition of this import duty has been removed at the present moment, for there is nothing to that effect in the statement of objects and reasons attached to the Bill under consideration. Sir, the speech of the Honourable Mr. Stewart reminds me of a saying in Persian, *i.e.*, "ab na dida, moza kashida", which means, a man never saw the water, but still he began to undress himself thinking that he has to get across. Mr. Stewart has told us that India will again find foreign markets. I can tell him that as an agriculturist, I cannot see any foreign market for India within the next 10 years. Still, Mr. Stewart wants us to believe that the duty should be reduced. There may be some motive behind it, because nothing is done without a motive. Everything comes in with some hidden motive. What that motive is, I cannot fathom. But to the best of my ability—God has given me brains too—it must be to the advantage of some other country. Whether it is Australia, or France or some other country, it is at any rate for the advantage of a foreigner that this duty is being reduced. That is my view. I may be wrong or I may be right. I have grave doubts that the duty has been reduced to the advantage of some other country. My conjecture is that foreign wheat will be able to compete with us at this duty of Rs. 1-8-0 and that is why I say that the duty ought to have remained at Rs. 2, because at Rs. 2, it was rather difficult for the other countries to compete with us. It may not be Australia or France competing with us. But what about Russian wheat? Russia could come in at any time. I was reading about the five-year plan, and that gives me some clue that the Russian people could sell their wheat at from 12 to 14 annas a maund and still they will not be losers. Adding the duty of Rs. 1-8-0, it means that they could sell their wheat here at Rs. 2-4-0—

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : What about the steamer freight?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : The result will be that we will not be able to sell the produce of India. Already, Russian wheat is selling cheaper than our produce. The result will be that there will be no payment coming to Government in the form of taxes. That will be the result. My friend the Honourable Mr. Ghosh Maulik has been interrupting me. He should not interrupt me. Happily, he comes from a permanently settled province, thanks to Lord Cornwallis. It is an old prehistoric arrangement which ought to be broken. Then my Honourable friend should know the difficulty of paying land revenue. The trouble is, so far as the Punjab and North-West Frontier people are concerned, their only industry is wheat growing. (*An Honourable Member :* "Also the United Provinces".) Yes, and the United Provinces. On the frontier, we have very little land, and whatever land we have, the difficulty is that we have very unfavourable weather. It gets very cold and we cannot grow better stuff or cotton. We cannot grow other things. The only thing we can grow is wheat. If there is no market for wheat, I do not know what the state of affairs there will be, when the zemindar cannot pay his land revenue and water rate and is absolutely a pauper. If there is nothing with the person, how will the Crown realise the land revenue? If they cannot realise the land revenue, the administration of the province will be difficult. To my mind, Rs. 2 should be the least amount for the import duty on wheat. A reduction of 8 annas in this is not proper, because, at that reduced rate, foreign wheat can compete with Indian wheat and can undersell the latter.

With these remarks, Sir, I am unable to see eye to eye with the Government in this matter.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : The Honourable Members who have preceded me have exhausted all comments, either of sentiment or argument, in regard to wheat and rice. It only remains for me to speak of what is desired by my province, Bengal. Sir, I support the measure but I am not satisfied with the scheme of protection for rice. The Bengal cultivator wants the price level of paddy to be raised. The scheme proposed may help Madras a little but it will not help Bengal and Bihar and Orissa. What I desire is that Government should review the whole position with a view to raising the price level in these two provinces. I hope the Honourable Mr. Stewart will give me an assurance that he will do justice to this aspect of the matter and will do something in future to raise the price level of paddy, so as to relieve the peasants of Bengal and Bihar and Orissa.

With these words, Sir, I support the Bill.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I wish to say just a few words in connection with the import duty on wheat which seriously affects the wheat-growing parts of India. Wheat has never been so cheap in India during this century as it is today. In the villages it is selling at Rs. 1-4-0 to Rs. 1-8-0, and the Government is showing its sympathy to 90 per cent. of the population which depends wholly on agricultural pursuits—peasants and labourers alike—by reducing the import duty by 25 per cent., that is, from Rs. 2 to Rs. 1-8-0 per cwt. When the import duty was Rs. 2 per cwt. the price of wheat in the Punjab did not rise above Rs. 2 a maund. This shows that if the import duty was removed the price of wheat in the villages would be next to nothing. If the price of wheat had risen high, there might have been some justification for reducing the rate of duty. Government seems to be under the impression that surplus stocks of wheat in the world have been exhausted, but how can Government be sure of it?

'One good crop in Russia, America, Roumania or Australia may falsify all Utopian ideas of Government. The financial policy is being carried on irrespective of the best interests of the agriculturist. The 1s. 6d. ratio has already put a 12½ per cent. export tax on all agricultural produce of this country. The only policy to follow is to buy nothing from foreign countries for cash but pay in kind through trade agreements.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christian) : Sir, we from Madras are really thankful to the Government for imposing this duty on broken rice. But at the same time I must observe that the feeling in Madras is that it is not sufficient to keep out broken rice or prevent its being sold at a price which would injuriously affect the rice grower. No doubt, as the Honourable Commerce Secretary has observed, under section 4 the Governor General in Council has power to raise the tax and I hope they will see their way to do that as soon as possible. Also they must consider whether this duty on broken rice is not likely to stimulate the import of whole rice and paddy. The Government of India is at present under the impression that it will not do so. But we in Madras are afraid that if you stop the import of broken rice the whole rice and paddy will be imported. As regards famine conditions in Bellary and Anantapur, no doubt there is serious distress now but the staple article of food in those districts is not rice, as the Commerce Secretary has admitted. If the price of other food grains rise the price of rice also will rise. But for these two districts the stocks of rice and other food grains like millet, or what we call *cholan* and *ragi*, are sufficient to supply the needs of their inhabitants. Therefore I do not think the Government need be very apprehensive as to any undue rise in the price of rice which might injuriously affect those two districts. I only ask the Government to be watchful of the situation and to raise the duty as soon as possible to at least Re. 1 which is I believe the recommendation of the Madras Government. As observed by another Honourable Member, quite recently a Motion for Adjournment was passed in the Madras Legislative Council in regard to this matter. I do not think it was opposed by the Madras Government, who share the view of the people. I think it is incumbent on the Government of India to watch the situation and to raise the tax as soon as possible, whenever it is clear that the import of rice is seriously affecting the rice situation in Madras, to at least Re. 1.

With these few remarks, I really welcome the proposal to put a tariff of 12 annas on broken rice.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I deplore greatly the change which has taken place in the Government. The Government instead of working for the interests of India is now acting as subservient to the Secretary of State for India, whose every behest is accepted by the weak-kneed Government of the present day without any protest or regard for the welfare of India. When we had a duty of Rs. 2 per maund the price of wheat did not rise even to a parity with the Liverpool price. I would remind the Honourable Commerce Secretary that when we were considering the Ottawa Report we came across the fact that there was an export of wheat actually taking place from Karachi. If the price had risen above world parity then there would have been no export of wheat, and this happened when there was an import duty of Rs. 2 a maund. Further, I had also drawn attention in my note on that Committee to the fact that when the Lyallpur price was 5s. below the Liverpool price, at that stage there was no export. Export starts only when there is a difference of more

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than 5s. between the Liverpool and Lyallpur prices. That shows that the higher import duty does not force the internal prices to rise to the same amount as the duty. If any further proof is required that is offered by the action of the Government itself. When an excise duty on sugar was being imposed, you will remember, Sir, that we found that sugar in India was not selling at parity with Java sugar. Actually it was about Re. 1 according to the Government and 12 annas according to our own calculation below the Java parity, and that was one of the reasons which helped the Government to impose the excise duty. Its after effect was a rise in price of about 40 to 50 per cent. of the excise duty, one-half was absorbed by the manufacturers while the other moiety was transferred to the consumer. These two instances ought to convince every one who has an open mind that reduction of the duty was not called for, especially in view of the fact that we have practically no export trade, the only effect would have been to raise prices inside the country.

Now, here I beg to differ from the Commerce Secretary that an increase in price is a calamity. I believe, Sir, and I have the support of Sir George Schuster, who when at Ottawa said that the greatest necessity for India was the increase in the prices of the home grown produce. Unless we have an increase in the prices of raw materials, which is the stock in trade of the masses, you cannot have increased purchasing power in the country and without increased purchasing power there can be no prosperity. Now, Sir, he was very mindful of the people, of the consumers, and he told us that if the prices are raised higher consumers will be complaining and they will be hard hit. May I ask him whether this thought ever assailed his mind when he was giving protection to the big industries? But the difference is that there the producers happened to be capitalists, men who can reach the Honourable Secretary and tell their own worries and woes: but here the producers are the masses, the labourers and the down and outs who have no entry in the charmed circle of the Governor General's Council and his Secretariat. Therefore their worries never reach them and consequently do not find any support from that quarter. Here, Sir, the consumer and the producer are synonymous terms. The number of people is so great in those cases that you cannot differentiate where a man ceases to be a producer and becomes a consumer. Everyone is a consumer and almost half of us are producers; whereas in that case the producers are a few and far between capitalists; the consumers count hundreds of thousands. There the case for the consumer has got greater strength because you add to the power and the earning capacity of the few; and, as is well known, one of the fundamental principles of the Government is to act as a channel of better distribution of wealth from the classes to the masses. Instead of that the Government is functioning at the present moment in the opposite direction. It is carrying the money of the masses to the pockets of the classes.

Sir, I am not going to say much about wheat, because it has already been sufficiently discussed by other Members. I am more concerned with rice. I find, Sir, that we of the Opposition have been always accused of being irresponsible, but I submit we have learnt our lessons at the feet of the Treasury benches; they are past masters and present artists in the art of evading responsibility. Now, Sir, my point is, has the Government taught us to mind the advice of experts. There was a conference in which experts were called in. They recommended a duty of Rs. 1-4-0 per maund. They did not recommend that the duty should be imposed on broken rice. What response has the Government made to that? Were they not competent to decide this question? Were not all these facts placed before them? If you hold an

inquiry, but do not place all matters before them; the Honourable the Commerce Secretary is telling us that perhaps he has not placed all these facts before them, that is an additional charge. Why were not—

THE HONOURABLE MR. T. A. STEWART: The facts on which we have taken action were not available, Sir, at the time when the Crop Planning Conference met. That I think is an excellent reason why they should not have been placed before that Conference.

THE HONOURABLE MR. HOSSAIN IMAM: Then why not call an expert committee again?

THE HONOURABLE MR. T. A. STEWART: The last time that I spoke on this subject I was blamed for delay!

THE HONOURABLE MR. HOSSAIN IMAM: As I was saying, Government are past masters in the art of evading responsibility. The fact that this question of delay cropped up itself shows, and it is almost an admission on the part of Government, that they have delayed matters. Will the Honourable Member tell us what was the time taken on the wheat question, and what has been the time which has been spent in inquiring about rice? Was there much difference between the two? The difference lies only in this that the production of rice is more than double that of wheat and the number engaged in rice is two and a half times more than those engaged on wheat. That is the only difference.

THE HONOURABLE MR. P. C. D. CHARI: But the Punjab is not concerned.

THE HONOURABLE MR. HOSSAIN IMAM: We are not talking about the Punjab; we have the Leader of the House from the United Provinces and the Secretary from the United Provinces; they are interested in rice as well as in wheat; they stand midway between wheat and ricegrowers. He has based this duty on the fact that the difference in the price of the big mill rice and the broken rice is 8 annas. Now, Sir, the question crops up whether this difference has been taken from the quotations in Rangoon or the quotations in Madras? Will the Honourable Member tell us—

THE HONOURABLE MR. T. A. STEWART: Records were maintained in Cochin of both Siam and Burma qualities.

THE HONOURABLE MR. HOSSAIN IMAM: That has not taken Madras quotations.

THE HONOURABLE THE PRESIDENT: The Honourable Member has said that records were taken from Cochin.

THE HONOURABLE MR. HOSSAIN IMAM: Are not prices different in Madras? Now, Sir, the big mills are producers of rice in Burma, but what is the difference between rice grown in Madras itself and the price at which broken rice is imported into Madras. Madras is a province which is most intimately concerned with this question and therefore we ought to have been told.

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the difference between Madras rice and other rice to substantiate the reduction in the amount of duty which is imposed. Then, Sir, Mr. Yamin Khan drew the attention of the Government to a very pertinent fact. I remember, Sir, when that Resolution of Mr. Yamin Khan was being discussed, the general desire of the House in view of the sympathetic reply of Government, was to withdraw the Resolution. I was the culprit who wanted to force the Government to show their hands, and the result was that there was a unique division in this House when there was no voice in opposition; all were for the State and none was for the party! The Government itself was therefore pledged by the support of the Resolution to bring forward a Bill imposing the same amount of duty; otherwise they had no reason to support it; they ought to have opposed it, because the Motion was made that the same duty should be imposed. Now, Sir, if the Government is prepared to forget itself, there must be some reason behind it. I do not think they are so fickle as to change every day like that. The only intention of ours when we forced that division was to find out what was going to be the attitude of Government.

THE HONOURABLE THE PRESIDENT: There was no commitment of any kind on the part of Government.

THE HONOURABLE MR. HOSSAIN IMAM: There was no commitment, but when it supports a measure we all understand, and the ordinary Parliamentary procedure is, that they are behind that Resolution; otherwise they ought at least to have remained neutral, if not voted against it. The House could have decided by itself and you would not have had that unique division in which there was no vote against and all the votes were for the measure. But I know, Sir, that we have to differentiate between the free will of the Government of India and the views which they are forced to uphold. The spirit in Whitehall at the present moment is to make everything subservient to Empire considerations. If the duty were pitched high, the result would have been that there would be no import from the Empire countries and in order to encourage imports from the Empire countries it was thought necessary to reduce the quantum of the duty.

THE HONOURABLE THE PRESIDENT: You are only going on conjectural grounds.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, one can never know the future but by conjecture. The wise man is he who takes time by the forelock and takes a warning where he understands a warning is being given. It is no use being wise after the event, or locking the stable door after the horse has been stolen. I was very sorry to find, Sir, that when strong supporters of Government like my friends Mr. Yamin Khan and the Nawab Sahib of Hoti express views in opposition to the Government, even then the Government do not take serious notice. It is really calamitous from the point of view of the Government.

I now come to a constructive suggestion. It is no good our asking the Government to do this or that. The exposition was made in the other place when Honourable Member after Honourable Member from the Government benches, the Honourable Leader, the Honourable the Commerce Member, all disclaimed responsibility for things because they were only carrying out the orders of the Secretary of State. The present Government of India Act does

not give them full latitude to do as they would like. They are not responsible to us but each and every one of them is responsible to the Secretary of State and as such, instead of attacking our own Member for lack of action which they ought to take, we ought to concentrate on the real authority, the real culprit who sits behind and instigates without coming into the open himself. The idea behind this duty on broken rice is nothing else but to safeguard the future separation of Burma. I have said, Sir, that because it is contemplated to separate Burma from us and in order to keep the Indian market intact for Burma rice, the Secretary of State does not allow any import duty to be placed on rice. Therefore, the phrase *broken rice* has been imposed and if the Government had a clear conscience they could do it any moment they liked by removing the word "broken". We would then have no more complaints about the Government being subservient to the interest of other parts of the Empire as Burma is going to be. And as such we want that we should have in our hands some power to impose our will on the Burmans as far as the interests of Indians in Burma are concerned. England is anxious to retain power over India because of the English capital invested in India. Why should we not desire to have something to bargain with with these Burmans when they are separated? *We therefore, Sir, think that the duty has been placed on broken rice simply to safeguard the future separation of Burma.* As regards rice, it is adding insult to injury that Government still persists in maintaining a duty on the export of rice. They have removed the export duty on hides and by the Bill which is coming tomorrow they are going to remove the export duty on skins. But the poor rice growers cannot have even this amount of help which would come to them by the removal of the duty on the export of rice. The export duty falls only on the producer and not on those who import it, because we have neither a monopoly production nor a controlling position, in which one can, with impunity, impose an export duty without hurting the producer. Although even that sound position has been in practice defeated. We have seen that the imposition of an export duty on jute has had a telling effect on jute prices. But, Sir, the jute question brings up a very big issue and the Government of Bengal and my own province of Bihar, and Assam, are also directly interested in the duty inasmuch as they get a rebate of half that duty and in the future federation we hope to have the full rebate. Therefore, all the duty would in the end return to the people themselves. But in this rice duty, no rebate is allowed to the producing provinces and therefore it is nothing but a tax on the producers of an article which is exported and which, according to every other country's canon of propriety ought to be helped, and aided even by bounty, in place of which we have to pay a tax. May I suggest for the consideration of the Government a proposition by which they can help the export of wheat in spite of this reduced duty that they are proposing at the present moment. I had also asked in the Ottawa Committee's Report that the Government should give a sort of rebate on the railway freight for the wheat exported out of Karachi. If a rebate of excess over a certain minimum amount is allowed you will reduce the carriage charges to a bare minimum—

THE HONOURABLE MR. T. A. STEWART: That, Sir, is what is being done at the present moment.

THE HONOURABLE MR. HOSSAIN IMAM: What the Government is doing is that they have reduced it to a certain extent no doubt but that reduction is for both the wheat which is retained in Karachi and which is exported. We would have it that the rebate should be given not only to Lyallpur wheat but to other wheats as well—Cawnpore, etc.

THE HONOURABLE MR. T. A. STEWART: I understand there is a rebate of 25 per cent. of the freight on the wheat exported from Karachi to foreign countries.

THE HONOURABLE MR. HOSSAIN IMAM: Thank you, Sir. This is one of the best ways in which they can help the export of wheat. As my Honourable colleague pointed out, we have been placed on the horns of a dilemma. If we oppose the Bill, the Government can sit tight and say: we will not have even the existing duty. If we support it, we will be playing their game. They did the same thing years ago when the question of the protection of the textile industry came up and imperial preference was thrust on us. They are repeating those tactics again. Unfortunately, we are placed in such a way that we can neither impose our will nor can we force them in any way to do what we require. Therefore, Sir, we have to submit to their will and do what they want.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): At the outset, Sir, I want to congratulate the Honourable Kunwar Jagdish Prasad on his appointment as a Member of the Viceroy's Executive Council and also to congratulate the Government of India on their selection. Kunwar Jagdish Prasad comes from the United Provinces with a brilliant record of service in the United Provinces Government, the last office occupied by him and occupied successfully—being that of Home Member. The Kunwar Sahib is endowed with great ability, industry and knowledge and is well known for his eloquence and debating talents. The United Provinces highly appreciates the fact that after a long time, a United Provinces Indian has been appointed an Executive Councillor in the Government of India.

Now, Sir, coming to the Bill before the House, I heartily welcome the measure. The measure is in the interests of the Indian agriculturist who still needs protection very badly on account of the continued slump in the prices of agricultural products. I am one of those who think that the import duty on wheat should have been retained at the former level of Rs. 2 per cwt. because Indian wheat is still out of parity with world prices and, as the statement of objects and reasons says, there are still in existence considerable stocks which constitute a possible menace to the Indian wheat grower. But, Sir, the Government have decided to lower the duty to Rs. 1-8-0 and the Honourable Mr. Stewart has given reasons in support of that decision. After hearing the Honourable Mr. Stewart and my Honourable friend Rai Bahadur Lala Ram Saran Das, I consider the reasons given by the Honourable Mr. Stewart for the decision of the Government to be quite convincing. I feel that the duty of Rs. 1-8-0 per cwt. under the present circumstances will be quite sufficient. Moreover, there is some consolation in the fact that the Government are placing this duty under the protective clause, which means that the Government can, by executive action, raise on occasions the price of Indian wheat. Sir, I am glad that this measure has received the almost unanimous support of this House. The only dissentient voice was raised by my Honourable friend Mr. Ghosh Maulik. But, Sir, as he himself said he raised only a feeble voice, and from his speech I infer that, although his heart was with the consumers of Bengal, his head was with the wheat growers of Northern India.

Sir, I support the measure.

THE HONOURABLE MR. T. A. STEWART: Sir, with your permission, I would briefly refer to a few of the more relevant criticisms that have been offered in the course of this debate. Let me first of all refer to the Honourable Mr. Yamin Khan's Resolution to which he drew attention. The part of the Resolution which deals with the import duty is as follows:

"This Council recommends to the Governor General in Council, etc., etc., to give protection to the wheat growers in India by extending the period of import duty on foreign wheat".

Now, I wish to deny categorically that the acceptance of that recommendation involved the acceptance of any specific figure of duty. The Honourable Mr. Yamin Khan and the Honourable Mr. Hossain Imam know as well as I do that Government never, on any occasion when they propose to introduce a Tariff Bill, reveal beforehand the exact amount of duty that they propose to impose.

Now, Sir, I started by saying that the object of the wheat import duty was to safeguard for the Indian producer the Indian market for wheat, and I claimed that a duty of Rs. 1-8-0 was adequate for that purpose. No Honourable Member has attempted to show that that duty is inadequate. There were certain assertions made which were based on certain hypotheses. The Honourable Mr. Yamin Khan said that if those 400 million bushels were imported at a price of 8 annas, India would be ruined. Quite so. But there are lots of other hypotheses, and I cannot really answer hypothetical suggestions of that sort. Perhaps, he has a wrong idea of what this import duty can perform? It certainly cannot operate indefinitely to raise prices in India. Once it has secured its main purpose, that is, to exclude foreign supply, the price that will be realised inside India is determined entirely by the conditions of demand and supply within India. There is no short cut to making millionaires. To take his argument to its logical conclusion, if we happen to put on a duty of a lakh a maund, everybody would be rolling in money. But, that is an impossible argument.

The Honourable Lala Ram Saran Das was talking for the flour miller. I was rather touched to hear him talk for the flour miller, because it is obviously the flour miller in the ports for whom he is speaking. Now, I have heard the flour miller in the port complain very bitterly against the competition of the Punjab, and not from outside. It is the Punjab, they say, which is killing their industry. So, I thought it was rather a touching episode!

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What I said was that in case the import duty on wheat was high enough, the flour millers at the port will use Indian wheat and not foreign wheat.

THE HONOURABLE MR. T. A. STEWART: I should be very glad to believe that, Sir, but the representation that I have received from the millers at the port is that for the purpose of a great portion of their trade, Indian wheat is entirely unsuitable. But he did not have all his own way when he spoke in favour of the flour miller at the ports. The Honourable Mr. Yamin Khan denounced these mills at the ports as being entirely foreign institutions. Well, Sir, the Honourable Mr. Yamin Khan was probably unaware that the most important mill in Bombay, though it bears an English or Scotch name, is still an Indian firm.

As regards rice, the main criticism has been that though this duty of 12 annas may be effective as against broken rice, it will only result in the dumping

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of whole rice and paddy. Now I endeavoured to make it clear that there was an essential difference between broken rice and whole rice and paddy. As I said, this broken rice is by way of being a bye-product and its price is not determined by the reactions of world demand and world supply. It is possible, in fact it may be desirable, to sell it in any market for any price. But the same argument does not apply to whole rice and paddy, the prices of which are determined by world conditions, especially in such markets as Saigon and Bangkok.

In conclusion, Sir, may I make quite clear what I meant when I suggested that it would be unfortunate that there should be a rise of price against the consumer. The Honourable Mr. Hossain Imam has considered my remark to mean that it would be a calamity if there is any increase in price. I made no such suggestion. What I intended to convey, and I believe that I did, was that if a monopolist used his monopoly in a time of scarcity to force up the price against the consumer it would be a calamity, and I say, Sir, it would be more than a calamity, it would be a crime.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to amend the Indian Tariff Act, 1934, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 2 stand part of the Bill."

The two amendments standing in the name of the Honourable Mr. Mehrotra have been disallowed by the Governor General as they seek to increase taxation, and I cannot permit them.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: But, Sir, they relate to the duty that was levied by the Government up to the 31st March.

THE HONOURABLE THE PRESIDENT: The decision of the Governor General is final.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: On a point of order, Sir. Under section 54 of the Manual of Business and Procedure a Motion must not raise a question substantially identical with one on which the Council has given a decision in the same session. Now, Sir, I did not raise this point of order earlier because the Bill contained provisions relating to wheat duty as well as rice and I thought the Council having given a decision already on the question of wheat it would be more appropriate if I raised this point of order when you put this clause to the House. The words of the rule says a Motion "substantially identical". It need not be exactly the same form of words. "Substantially identical" is to be interpreted on a basis of common sense. Now the Resolution passed by this Council during this session—

THE HONOURABLE THE PRESIDENT: You are going into irrelevant matters.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I think it is perfectly relevant if I require a ruling as to whether under this section the Government is not out of order owing to repetition of an identical Motion.

THE HONOURABLE THE PRESIDENT: It is only hair splitting. Your contention is that the Resolution moved by Mr. Yamin Khan precludes the discussion of this Motion?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Yes, Sir.

THE HONOURABLE THE PRESIDENT: It does not do so at all. This is a legislative measure and the Government is entitled at any time to bring in a legislative measure before the Council, apart even from any Resolution or any Motion.

The Question is:

"That clause 2 stand part of the Bill".

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. T. A. STEWART: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed."

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Before I speak on the Bill before the House, Sir, I wish to join with my Honourable colleague Rai Bahadur Jagdish Prasad in congratulating the Leader of the House who comes from my province. Sir, Kunwar Jagdish Prasad had a very brilliant career from the very beginning and after passing with distinction from the Muir Central College he went to England and there too he distinguished himself and passed very creditably. He then worked in various districts as a district officer and was taken into the Secretariat as Reforms Officer and there also he displayed his brilliancy and after serving as Education Secretary was made Chief Secretary in a very short time, though some of the officers were senior to him. He was Secretary for 10 or 12 years and I had the honour of working with him for seven years in the local Legislative Council. (*An Honourable Member*: "In opposition?") I was in the Opposition Party certainly, but that does not mean that we were working together on every point. We were in the same Council and differences of opinion there are bound to be. We have even seen my Honourable friend Mr. Yamin Khan, who always supports the Government, had a difference of opinion on a particular measure. (Laughter.) So, Sir, after that he rose to the rank of Home Member and from that position he has come here and we welcome him most cordially.

Now I proceed to the merits of the Bill. I was simply surprised that Government should bring this Bill with a reduction in the duty from Rs. 2 to Rs. 1-8-0. In this very session Government was a consenting party to continuing the duty at Rs. 2. Sir, there were two conditions which were laid down by my friend the Commerce Secretary last year when he brought in the Motion to extend the Bill for another year, and those conditions are prevailing today as they were prevailing then and I fail to understand why my friend has come up with a Motion for reduction of duty this year? With your permission, Sir, I may read those conditions?

THE HONOURABLE THE PRESIDENT: It is not necessary at all. You ought to know that the Secretary to the Government of India is not the Government of India.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Quite right, Sir, but he represents the Government and he has brought the Bill on behalf of the Commerce Member. But, Sir, whatever we have to say—

THE HONOURABLE THE PRESIDENT: He has not brought forward the measure on behalf of the Commerce Member, but on behalf of Government.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I have your permission, Sir, to read those sentences?

THE HONOURABLE THE PRESIDENT: Yes.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: He said:

“The first condition is that there should be in existence large supplies of surplus stocks of wheat in the great wheat-producing and wheat-exporting countries of the world which are available for being exported to India should the duty be removed”.

That was the first condition.

“The second condition is that the price of wheat in India should be above the parity of world prices”.

May I ask my Honourable friend whether these conditions are prevailing today or not?

THE HONOURABLE MR. T. A. STEWART: It is not proposed to remove the duty.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: My friend has not proposed to remove the duty, but he has proposed to reduce it.

THE HONOURABLE THE PRESIDENT: That is obviously a different thing.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: But I submit that it was not proper to bring such a Motion when the conditions which prevailed at that time are prevailing today. He told us that there is still a large stock of wheat in foreign wheat-producing countries. He has said that it is expected that during 1933-34 there would be a surplus of 400 million bushels of wheat in the wheat-producing countries. Then, Sir, when the Commerce Secretary introduced this Bill in the other House, he also laid stress on two conditions—

THE HONOURABLE THE PRESIDENT: We have nothing to do with the other House.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: We can express what he said there in our own words for our arguments. That is your ruling, Sir. He said—

THE HONOURABLE MR. T. A. STEWART: I did not introduce the Bill in the other House!

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I meant the Commerce Member. He said that it was necessary to keep the Indian market for Indian producers having regard to the fact that India produced sufficient wheat. Sir, if that is the idea and if the Government knows that India produces sufficient wheat for its own consumption the Government should take every step that foreign wheat should not come into India. India is an agricultural country and more than 90 per cent. of its population is living on agriculture. Therefore, Sir, every possible protection should be given to this industry. He further said that there was still a large, though steadily diminishing net exportable surplus wheat in the world available at below Indian prices. So, Sir, if a surplus is available below the Indian price, there is absolutely no reason why the duty should be decreased. My friend Mr. Ghosh Maulik—

THE HONOURABLE THE PRESIDENT: I may inform the Honourable Member that I want to finish the other Bill before lunch.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: But, Sir, I had no say on the consideration Motion.

THE HONOURABLE THE PRESIDENT: What you have been saying has been thoroughly threshed out. Every speaker before you has said the same thing.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: If you rule me out, I will sit down?

THE HONOURABLE THE PRESIDENT: No, I do not rule you out, but I draw your attention.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Thank you, Sir. I quite realise the consumers' point of view that my friend put before the House, but may I ask him whether the price was higher when this duty was not imposed and what was the condition of the consumers? We know that in 1928-29 and in 1929-30 the price of wheat was about Rs. 6 per maund, but after this duty on account of the economic depression the prices have come down to about Rs. 3 a maund. Therefore consumers cannot have any complaint when they are getting wheat as cheap as 14 seers to a rupee and I think this is quite a cheap rate to get wheat. They do not realise that the agriculturists have to pay a very high rate of canal dues and after paying these canal dues very little is left to them to pay their rent and meet their own expenses. Canal rates were increased during the war when wheat was selling at a very high price, but since then in spite of the fact that the matter has been brought before the local Legislatures and Government was pressed that the rates should be reduced, it has not been done. We request the Government of India to draw the attention of the local Governments that it is very necessary in the interests of the agriculturists to reduce the canal rates. I am aware that the Government of India have reduced the railway freight from Lyallpur to Karachi and other parts from Rs. 1-8-0 to Rs. 1-0-8, but may I ask what have they done so far as the United Provinces is concerned? I placed my views on behalf of the United Provinces last year when the Government moved for the extension of the Bill for another year, but I find, Sir, tha-

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

they have taken no steps so far ; they have done nothing so far as the United Provinces is concerned. I would remind the Government that the United Provinces is also one of the wheat-producing centres and they should take the case of the United Provinces into consideration.

Then, Sir, another thing that is very much against agriculturists is the maintenance of the ratio at 1s. 6d. We have brought forward this question repeatedly in this House and the question was discussed in the other House also and unless the ratio is reduced, there is no salvation for the agriculturists in this country. They are losing much more on account of the ratio than on account of any other thing. I hope the Government will consider this very seriously and come to the rescue of the agriculturist if they have got any regard for him and reduce the ratio.

Sir, with these words I close my remarks. I cannot lend my support to the Bill, because they have reduced the protection from Rs. 2 to Rs. 1-8-0 ; at the same time I am not in a position to oppose the Bill also, because something is better than nothing. Therefore I have to close my remarks without extending my support or opposing the Bill.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I had no mind to speak at this stage of the Bill, but the remark the Honourable Mr. Stewart made forced me to make a few observations. The Honourable Mr. Stewart has observed that in case the import duty is enhanced it will increase the price and it will not be in the interests of the poor consumer. Sir, hitherto all that the country has been asking the Government to do is to try and raise the level of prices of the produce of the country and now, as far as exports are concerned, he knows very well that the present prices will not enable Indian wheat to be exported. As far as the British purchasers are concerned, they are buying wheat from the Argentine in preference to Indian wheat although I think that as a result of the Ottawa Agreement they ought to give preference to Indian wheat. However, that is a question beside the point, but I must say that as most of the producers are consumers, in case the level of prices is raised it is to the advantage of the agriculturists and to the advantage of a very heavy majority of the Indian population. As far as flour is concerned, the Honourable Mr. Stewart has given no reason why that difference of 8 annas has been removed.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, the only reason why I take part in this discussion at this late stage is because I do not wish to let this opportunity pass without placing on record a protest against the inconsistency which the Government of India have shown during the last two months in dealing with the poor zemindars so far as the question of wheat is concerned. I still hold, Sir, that by consenting to the adoption of that Resolution of Mr. Yamin Khan's by the Council of State, the Government of India committed themselves that they were prepared to extend the period of this duty and would keep the duty at Rs. 2.

THE HONOURABLE THE PRESIDENT : Mr. Stewart has already told you that the Government of India could not disclose in advance the legislative proposals they are going to bring forward and the measure of taxation they are going to impose.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I hope, Sir, I am not bound to accept whatever view is advanced by any Government Member ?

I hold my own opinion and I must bring before the House the history of the development, why the Government of India accepted at that time the first part of Mr. Yamin Khan's Resolution. I think you remember that, when originally this Resolution was put, it was not in two separate parts. The Resolution was put as a whole. The then Leader of the House, the Honourable Khan Bahadur Sir Fazl-i-Husain, was unfortunately absent when this Resolution was put to the vote. He arrived after the division bell had been rung and, as far as I remember, Sir, he went up to you and it was probably at his request that you decided to separate these two parts of the Resolution.

THE HONOURABLE THE PRESIDENT : I generally act on my own discretion.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Yes, Sir, you decide on your own discretion, but I hope you will agree that the Honourable the Leader of the House also made this suggestion to you. Because the Honourable Mr. Hossain Imam objected to this Resolution being put in separate parts (as will be seen from the proceedings of the debate) and you said it was entirely in your discretion and you were going to use your discretion and put the parts separately. From this brief history of this question, Sir, I come to the conclusion that the Government of India suddenly, on the advice of the Honourable the Leader of the House, without definitely knowing what they were committing themselves to, agreed to accept this Resolution. Supposing, Sir, there is a Resolution that the life period of a certain Act or Ordinance should be extended and the Government of India accept that, does it mean that the Government want that certain of its important clauses should be changed ? When they say they agree to the extension of the period without declaring that in agreeing to the extension of the period they are not committing themselves to the actual duty of Rs. 2, I think we would be perfectly justified in concluding that they were at that time prepared to extend the period of the duty and keep it at Rs. 2. Something has taken place since then,—unfortunately we do not know what. Either these Members of the Viceroy's Executive Council have tried to mislead His Excellency the Governor—

THE HONOURABLE THE PRESIDENT : Order, order. I do not think you are justified in using that language ; "mislead," is an objectionable word.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Well, Sir, if that is not the proper word, I will be satisfied with a milder word. They anyhow tried to advise the Viceroy and tried to convince him that by lowering the duty from Rs. 2 to Rs. 1-8-0 we would not be doing any injury to the interests of the agriculturist. Otherwise, I am perfectly certain that His Excellency has the well-being of the poor agriculturist at heart and he could not possibly have agreed to this unless he was so advised. If the Government of India will take up the position that at the time when the Resolution was brought by my Honourable friend, Mr. Yamin Khan, they were of opinion that the duty should be Rs. 2 but on reconsideration they have now come to the conclusion that the duty should be Rs. 1-8-0, then my position is untenable, but as far as I have listened to the speeches they have not taken up that position. Nobody denies the fact, Sir, that by this abnormal fall in the prices of wheat, the condition of zemindars in the Punjab and the United Provinces has been going from bad to worse every day. It would be entirely wrong to say that during the last four or five years their condition has improved in the slightest degree. The

[Raja Ghazanfar Ali Khan.]

Government have been experiencing difficulties in the realisation of revenue and it is only because a zamindar by temperament happens to be always willing to pay his dues that the Government were able to realise revenue. Many of the zamindars had to sell all their assets, all the little gold and silver ornaments they possess. Personally, I know of instances, Sir, where the people agreed to give their young daughter of four or five years in marriage to a certain man whom they did not like simply because he said he would pay the revenue for them. This is the condition under which the zamindars are living and, Sir, it should be a matter of serious consideration to the Government that if the price of wheat drops even by two annas in the maund they will be putting the provincial Governments into great difficulty who are responsible for realising the revenue. I would again appeal to the Government to reconsider their position.

THE HONOURABLE THE PRESIDENT: But the Honourable Mr. Stewart did say, as far as I remember, that if necessity arose they would increase the duty.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The necessity is there. Is there a single zamindar here in this House who would get up and say that the condition of zamindars is not extremely unsatisfactory? But if there is nobody to say that, then the occasion is there and the opportunity is there. (*Honourable Members*: "You are right!" "Absolutely right!") The Government of India by setting apart that sum of one crore for the betterment of zamindars in the rural area have created a good impression on the minds of zamindars and by now forcibly reducing this duty from Rs. 2 to Rs. 1-8-0 they are really taking away the good effect which was produced in the minds of the zamindars. I would still appeal to them that, while of course the interests of the consumer are equally important, the consumer is not going to suffer if the duty on wheat remains at Rs. 2 and the selling price remains Rs. 3.

THE HONOURABLE MR. T. A. STEWART: Sir, I do not wish to make any further remarks.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to amend the Indian Tariff Act, 1934, for certain purposes, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

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

The Council re-assembled after Lunch at a Quarter to Three of the Clock the Honourable the President in the Chair.

INDIAN TEA CESS AMENDMENT BILL.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I move:

"That the Bill further to amend the Indian Tea Cess Act, 1903, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration."

Sir, the Tea Cess Act, which it is now sought to amend, was passed originally in 1903 with the object of promoting the interests of the tea industry in India, and for that purpose, it provided for the levy of a cess which was originally leviable at the rate of $\frac{1}{4}$ pie per lb. of tea. The fund so created has since been applied for the purpose of promoting the sale and increasing the consumption of tea in India and elsewhere. The necessity of that object has from time to time dictated increases in the rate of cess leviable. In the autumn of 1933, the cess was increased from 6 annas per 100 lbs. to 8 annas per 100 lbs., which was the maximum amount which could be levied under the Act as it now stands. The Indian Tea Association have now come forward with a proposition that the maximum rate of cess leviable should be raised from 8 annas per 100 lbs. to 12 annas per 100 lbs. The case of the Tea Association is this. The International Tea Control scheme has now been in operation for two years, and satisfactory as have been its results, it has been found that that scheme in itself is not a complete solution of the problem of the disposal of excess tea stocks. In India, for example, the potential production of known tea gardens is in the neighbourhood of 500 million lbs. Under the export control scheme, only about 315 million lbs. may be exported to world markets. There is, roughly speaking, 200 million lbs. still to be disposed of. Now, of that, India at the present moment consumes herself between 60 and 70 million lbs. India is a very large potential market and unless steps are taken very severely to restrict the production of the Indian gardens, the only solution of the difficulty appears to be an expansion of the Indian demand. Experience has shown that such expansion can only be achieved through propaganda, and for propaganda, money is necessary. It is for this reason that the Tea Association have come to ask for an increase in the maximum amount of the cess from 8 to 12 annas per 100 lbs. The Government of India agree with the Tea Association that an expansion in the Indian consumption is a necessary complement to the export restriction scheme, and in view of the fact that this proposal carries with it the almost universal support of the tea-growing industry in India, Government have brought forward this amending Bill. The additional cess is a comparatively trifling amount and it is borne by the tea growers themselves. All known tea gardens in India have been consulted as to the propriety of this measure. 95.5 per cent. of the industry as measured in terms of acreage have expressed their approval of the proposal. From 4.5 per cent. of the industry no replies have been received. But in no instance has there been a dissenting voice. In these circumstances, Sir, the Government of India are sure that this Bill will receive the acceptance of this Honourable House.

Sir, I move.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Sir, I support this Bill, but before I support it, I should like to draw the attention of the Honourable Member opposite to the fact that on the Indian Tea Cess Committee, more Indian members should be taken. That is point No. 1. Point No. 2 is that more employment should be given to Indians on the Tea Cess Committee staff.

With these remarks, Sir, I give my whole-hearted support to this Bill.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I had no desire to speak on this Bill. In view however of certain statements that have been made in another place, which are likely to prejudice the use of tea by Indians, and raise distrust and suspicion, I think that those statements should not be allowed to go uncontradicted. They may do mischief and instead of increasing the use of tea,

[Khan Bahadur Dr. Sir Nasarvanji Choksy.]

debar its further expansion in India. It has been asserted that tea is a poison. I do not know what authority there is for this statement, and whether any chemical analysis or reports have been made to this effect. Sir, if persons are taking this so-called poison, it is the Members of the central Legislature who, year after year, get soaked with any amount of tea at numerous tea parties and not *bhang parties* as alleged! When last year my Honourable friend Lala Mathura Prasad Mehrotra asked me to find out some poison in the Army Bill, I told him that if any individual finds poison that is non-existent, it must be due either to morbid imagination or distorted vision. I apprehend that something of that kind is at the bottom of such mischievous statements. We all know the virtues of tea. I need not dilate upon them. Everybody admits that a cup of tea cheers, but does not inebriate. It revives the jaded nerves and overcomes the effects of fatigue. Persons of different shades of opinion fraternise and get over their differences at the tea table. If it is a poison, it is the easiest means of getting rid of obnoxious people from one's midst! It was also asserted that the only two ingredients of any use in a cup of tea were milk and sugar. If the use of tea is prohibited, what would follow? No doubt the calves would get more milk, but what of the sugar industry of India that has been protected by high tariffs and fostered by Government? Probably many of those factories would have to shut down if sugar were thus no longer used. Sir, some such slogans in our political life appear from time to time. It was not so long ago, about 15 years back, that we were also exhorted to give up the use of tea. And for what reason? It was then alleged that by using milk with tea we deprived the poor calves of their natural sustenance and that it was a heinous crime! That was the ostensible reason. I believe there was something at the back of it and that was to hit the tea planters. Political memories are very short in India. Some of those who advocate such stunts forget all about them afterwards. What was the outcome? Tea shops were closed down in Bombay, Gujerat, etc., and the poor jaded mill worker could not get even a cup of tea at the end of a hard day's work. They then resorted to the toddy shops. Thereupon toddy was also forbidden and shops picketted. A ruthless order was sent out to cut down toddy trees wholesale. Enormous destruction was thus caused in Gujerat especially. Some of those who were most enthusiastic in carrying out this mandate of the Congress dictator were most careful to spare their new trees, while cutting down their own old useless trees. But they destroyed wholesale the new trees of their neighbours in order to prevent them from making money in future. Their mistaken zeal was so great that a large number of people were absolutely ruined, not only the owners of the trees, but the poor depressed classes who lived upon the material of those trees by weaving mats, making brooms, etc. They had to face starvation for lack of these raw materials of their poor trade. Such were the disastrous and baneful effects of such political stunts to harass Government and the law-abiding masses. Buffaloes and cows may possibly have been benefitted to some extent but not other animals. I would simply say that it was no more inhuman to have milk from buffaloes and cows than to have it from goats.

Sir, is it not high time that responsible men should cease to make such ludicrous, nay, mischievous statements? If these are allowed to be broadcasted and the ignorant masses are led to believe that tea was a poison such a propaganda would do great injury to the tea industry. Some sense of proportion and responsibility is necessary in certain quarters, otherwise the work of the Tea Association would be undone.

Sir, I support the Motion of the Honourable Commerce Secretary for the passage of this Bill.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA (Assam :

Non-Muhammadan) : Sir, I rise to support the Bill. Three years ago in 1932 the tea industry was tottering and on the verge of ruin and the Government came forward with a scheme for the regulation of exports. This scheme was the result of an international agreement between India, the Netherlands East Indies and Ceylon. After this agreement was entered into the Government was approached and the Government of India was pleased to implement the scheme to save the tea industry from ruin. Sir, we all know that this industry is one of the major industries of India, and if the Government had not come forward with this measure the tea plantations would have been ruined with many thousands of people connected with this industry. That is certainly a state of affairs which cannot be contemplated with equanimity. But, Sir, after the introduction of the scheme although the industry was thriving for a short time, it was realised that that was only a palliative and unless there was an expansion in the consumption of tea the industry could not continue to thrive for long. The Netherlands East Indies have of late been raising a tea cess of a little over 12 annas per 100 lbs. of tea exported, and only recently the Ceylon Council of State passed a measure to realise a cess of 75 rupee-cents per 100 lbs. of tea exported from Ceylon. Now, Sir, as India is a party to the international agreement, it is now for her to take her part in this concerted international propaganda. That means more money, as has been explained to the Honourable House by the Honourable Mr. Stewart, and it is with the object of raising more money that the producers have approached the Government and the Legislature through the Indian Tea Cess Committee to raise the cess now levied at 8 annas per 100 lbs. of tea exported to 12 annas. Sir, I do not think I should make it further clear to the House that this money which is going to be raised is not public money. That has been already explained by the Honourable mover of this Bill. But as there might be some misapprehension in the minds of the Honourable Members I have to say that it is the producers' money which is sought to be raised and that also at their own request. This money is wanted for propaganda purposes. Formerly the rate was 8 annas, but as more intensive propaganda is taken in hand by the other parties to this international agreement, India has also to raise a larger contribution. The object of the Tea Cess Committee is also to push in good tea, to create a taste for good tea and oust the rubbish which is sold in the market in the name of tea. I have already said that the regulation of exports scheme was only a palliative. The industry has realised that it has to do more work towards the expansion of demand and to promote the sale of tea. Unless there is improvement in the demand the industry will again find itself in a tight corner. The first victim to such a crisis would be the small Indian planter who has not got a reserve capital to stand him in good stead. There are big capitalists, mostly European, and they would of course be able to stand the conditions for some time. But it will be the small Indian capitalist who will be hit hard. Sir, this Bill in its present form is after all an emergency amending Bill, just to raise the existing rate from 8 annas to 12 annas. It does not enunciate any new principle, nor is any new policy involved in it. The industry, I understand, is contemplating approaching the Government to implement a new scheme and raise the cess to an eventual maximum of Re. 1 per 100 lbs. of manufactured tea hereafter. It might be possible for the Government and the industry to come forward with such suggestions in the next Simla session or as soon as possible, when it will be open to this Honourable House to come forward with criticisms on the whole Bill; but this present Bill, as a matter of fact is, after all, an emergency amending Bill. Further, this raising of the cess from 8 annas to 12 annas is wanted by the producers themselves. As has been already said by

[Srijut Heramba Prosad Barua.]

the Honourable Mr. Stewart, 95.5 per cent. of the producers have agreed to this enhancement of the rate; and on reference it was found that only 4.5 per cent. did not send any reply to the reference; but none has dissented.

Then, Sir, referring to the remarks of my Honourable friend Mr. Suhrawardy, I would like to say that it has been asserted by Indian planters that the representation of Indian members in the Indian Tea Cess Committee is rather meagre. It has to be considered that when this Bill was first introduced only 80 per cent. or thereabout gave their consent to this measure and Indian planters at that time were not many. But I entirely agree with my Honourable friend when he says that there should be more representation of Indians in the Indian Tea Cess Committee, particularly when there are more Indian planters now in the country. Then, again, there is another complaint that Indians are not adequately represented in the executive staff working under the Indian Tea Cess Committee. All that I know is that the authorities are trying to Indianise the staff and I hope and trust and urge that there should be no difficulty for the authorities of the Indian Tea Cess Committee to have more Indians in the personnel of the executive staff working under the Committee. Then, Sir, I am very thankful to the Honourable Dr. Sir Nasarvanji Choksy for dispelling many of the apprehensions that might still exist in the minds of some people that tea is a deleterious drink and even a poison. As a matter of fact I have heard such statements being made even by responsible people. I do not want to say much. I am not myself a doctor. But I can say this much, that we take a lot of tea and it does good and has not done us any harm. I myself take 10 or 12 cups of tea a day and I do not feel any the worse for it. Then, as regards the point raised by some that Government would do well to push in more milk into the villages instead of helping the industry to push in more tea, I agree that there should be more milk available in the country and I want to say that by pushing tea into the villages and into different parts of the country, Government will be pushing milk along with it; more tea means more milk and more sugar. I do not want to say more. I give my hearty support to the measure.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): May I put a question, with your permission, Sir? Is it 300 million lbs. of tea that has been exported?

THE HONOURABLE MR. T. A. STEWART: The export allotment for the present year is in the neighbourhood of 315 million lbs.

THE HONOURABLE SIR DAVID DEVADOSS: Then the amount realised would work out to something like Rs. 23 and odd lakhs?

THE HONOURABLE MR. T. A. STEWART: The rate is 12 annas per 100 lbs. The amount that it is hoped to realise, taking into account the fact that exports over the land frontier will not be liable to the cess and it will only be leviable on exports by sea, is I think in the neighbourhood of Rs. 14 lakhs. Perhaps Mr. Barua can say?

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA: About Rs. 14 lakhs.

THE HONOURABLE THE PRESIDENT (to the Honourable Rai Bahadur Lala Ram Saran Das): Do you wish to speak?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab Non-Muhammadan): I simply wish to say that I support the Bill, Sir.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill further to amend the Indian Tea Cess Act, 1903, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration."

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. T. A. STEWART: Sir, I move:

"That the Bill further to amend the Indian Tea Cess Act, 1903, for a certain purpose, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

The Council then adjourned till Four of the Clock.

The Council re-assembled at Four of the Clock, the Honourable the President in the Chair.

MOTION FOR ADJOURNMENT.

REFUSAL OF THE GOVERNMENT OF INDIA TO HOLD A PUBLIC ENQUIRY INTO THE KARACHI DISTURBANCES.

THE HONOURABLE THE PRESIDENT: The debate will now proceed on the Adjournment Motion of which notice has been given by the Honourable Raja Ghazanfar Ali Khan. Meanwhile, I will draw the attention of Honourable Members to the fact that under Standing Order 23 no speech shall exceed 15 minutes, whether of the mover or of the Government Member in reply.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, I beg to move:

"That the House do stand adjourned".

As the House is aware, when the news of the Karachi firing reached us on the morning of the 20th, instead of sending an Adjournment Motion I was satisfied with sending a short notice question. There were two reasons for that. The first was that I knew that the Government were not in full possession of the facts and it would not be fair to embarrass them at this juncture and therefore I waited for the opportunity till the Government were ready with all the facts. The second reason was, Sir, that at that time the other House was in session and as we know that the other House contains a much larger proportion of elected representatives of the people, I thought they were in a much better position to discuss this important question. Now, whether it is purely a matter of coincidence or it was so designed, a statement has been issued by the Bombay Government just one day after the Assembly has adjourned *sine die*. Therefore, now, the responsibility for expressing disapproval of the Government's refusal to appoint an inquiry committee lies

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on the shoulders of the venerable Members of this House. I know, Sir, as everybody else knows, that the constitution of this House is such that it is very difficult to carry any Motion in the teeth of opposition by the Government but all the same I feel, as a true well-wisher of the country as well as a faithful friend of the Government, that I should give an opportunity to the Honourable Members to express their sentiments on this question which has been agitating the minds of the Moslem public throughout India. It will incidentally provide an opportunity to the Government to supplement the previous statement issued by the Bombay Government if they have got anything further to add. I am most anxious, Sir, that the Government should be able to create confidence amongst the public that, so far as the Karachi firing was concerned it was absolutely unavoidable and it is for this reason that before discussing the details of this question, I would like, with your permission, Sir, to make a few observations of a general character. At the very outset I may assure my non-Moslem friends, both in this House and outside, that I am one of those persons who, not from reasons of any policy or expediency, strongly condemn and disapprove the acts of violence committed by any religious fanatic. (Hear, hear.) In saying so, Sir, I am expressing the true sentiments of what I consider to be my religion. Because I would be ashamed to call myself a Mussalman if I held views to the contrary. Similarly, Sir, as we all know, India is a country of different religions and it is the duty of every citizen to see that such acts which create communal bitterness are avoided. I also deprecate the writings of irresponsible persons of a malicious character which are deliberately intended to injure the sentiments and feelings of other communities and religions. Sir, I therefore hope the Honourable Members will see that the issue before them is not clouded by any such small questions of communal narrowmindedness.

As you know, Sir, Abdul Quiyum, after committing the murder, was sentenced to death and he was executed. Therefore, whatever happened afterwards has no bearing on the action of Abdul Quiyum. Here the Government have issued a long statement wherein they have tried to prove that the action of the authorities was justified. I am equally anxious to see that I do not make any statement here on the floor of this House which would be unduly critical of the action of any responsible officer who had to deal with this unhappy event at Karachi. What I am concerned with—and that is the only issue upon which I would ask this House to express their opinion—is whether it is not in the interests both of the Government and the country that the Government should be able to convince the people that they had no other option but to open fire, and what is more important, that they took all necessary precautionary measures before such a contingency arose. I have very carefully gone through the statement issued by the Bombay Government with the concurrence of the Government of India. I do not find any mention in that statement of the fact whether the Home Member of the Bombay Government who went to Karachi made any inquiry or has issued the statement on the authority of the version which he received from the District Magistrate or the Commissioner of Karachi. Because, as far as I have been able to gather from the papers, he flew to Karachi and when he reached there, some leading citizens of Karachi wanted to see him and place before him their own point of view, but he declined to see them on the plea that he had no time and he would see them, if he could, the next day; but when they turned up the next day they learned to their great disappointment that the Home Member had already left for Bombay. Sir, this is the kind of inquiry which was made by the Bombay Government. What happened

after that? The Home Member goes there, stays for a short time, goes back to Bombay, and comes to Delhi and after returning from here issues a statement. Therefore, at the best, what we can say is that the statement issued is purely the Government version of the Karachi affair. At the same time, as Honourable Members are aware, there is another version which has been published in the press and has been sent to us by means of telegrams from responsible leaders in Karachi, which categorically differs on some material points with the statement issued by the Government. Therefore, Sir, there are two distinct versions. Now, I would ask the Government seriously to consider whether under the circumstances which now exist in the country, under the mistrust which prevails amongst the people against the actions of the Executive and particularly when a tragedy occurs ending in the killing of 37 and 133 being seriously wounded,—the casualties, Sir, include one woman, who was injured, and seven boys, five of whom died and two were seriously injured,—do the Government seriously think that after such a tragedy, people in the country would believe all that the Government issue as an official version? In previous years, on almost every occasion where there has been firing by troops, Government invariably held enquiries associating with them non-official Members. In this case, no enquiry has been held at all, because the mere fact of the Home Member discussing the question at Karachi with the executive officers there does not constitute an enquiry in the real sense of the word. Our demand is very moderate. It is very reasonable. If the Government are convinced that their case is strong, if they are convinced that they took all necessary precautions, then why should they feel hesitant in facing an enquiry? The enquiry committee will not necessarily consist of irresponsible persons. We are not making any demand as to who should be appointed on that Committee. We are simply asking the Government to appoint any officers. Appoint one or two High court judges, appoint some other officers, and preferably include on that committee, two or three non-officials also of responsible position, both Muhammadans and non-Muhammadans. If that committee endorses the statement which has been issued by you, then naturally the public will have confidence and the Government will not lose anything. On the other hand, if Government insist on taking up this defiant attitude, they may rest assured that this tension, this agitation, is bound to last for quite a long time, which I am sure, particularly at this juncture, Government should try their best to avoid. I have had some experience of dealing with serious situations where armed crowds, numbering over 30 or 40 thousand collected at one place. I was one of those officers who were in charge of those riots. I can assure you, Sir, that even with two or three bullets being fired, we were able to disperse a crowd of 30,000 who were armed with spears, swords and other deadly weapons. Unless I am convinced to the contrary, I will refuse to believe that it was essential to kill so many people to disperse that mob. The other thing in which the official statement hopelessly lacks is in proving to us that the mob was armed. Government have not made an allegation that the people in the mob were carrying either swords or spears or sticks. They have said, Sir, that certain stones were thrown on the British troops both from the front and from the flanks. I would be surprised, if people were at such a short distance and were throwing brickbats and stones continuously at the British soldiers, that not a single one of them should have been seriously injured. I can assure you that if any soldiers had been injured, the Government had no reason to hide that from us. But we find that no such thing happened. It is quite possible that on an enquiry we may be satisfied that the Government was right in what they did. But is it not necessary to satisfy us and that some sort of enquiry should be held? Is it due to the attitude of the Government, about which so much has been

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said in the press during the last few days that their definite policy in the last two or three years is to defy every public demand and every public opinion? I must admit that I have the good luck of knowing most of the Members of His Excellency the Viceroy's Executive Council personally, particularly the Honourable the Home Member who comes from the Punjab. I have known him for the last 14 or 15 years. I know he is very generous hearted, very sympathetic, and whenever I have personally approached him on any matter of public importance, he has given a very patient and sympathetic hearing. Similarly, if I were to take every individual Member of the Executive Council personally, I find that they are all reasonable and they listen to reason. But, Sir, when the Executive Council meets collectively, they become entirely different. They are more or less akin to some of these irresponsible Maharajas, and at some times, I wonder whether we are sitting here listening to the Members of the Government of India or those of the Chamber of Princes. I personally see no reason at all why the Government of India should have taken up this attitude. In certain matters, it is Whitehall which gives orders and they just act as a post office. On other matters, it is the provincial Governments which take up a defiant attitude and they just act as a post office. Until provincial autonomy is established in this country is it not the duty of the Government of India to see that the provincial Governments exercise their powers with sufficient caution and reason?

THE HONOURABLE THE PRESIDENT: Your time is up.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I was under the impression that the mover is given half an hour?

THE HONOURABLE THE PRESIDENT: There is no provision similar to Resolutions in the case of Adjournment Motions. Standing Order 23 is mandatory in its provision.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: If you will permit me, Sir, —

THE HONOURABLE THE PRESIDENT: I have no option myself. The provision is mandatory.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I conclude my speech by just appealing to all my friends, both on my right and on the Government benches, that if they vote against my Motion, they will be committing themselves to one definite principle that whenever the Government issues a statement on any political matter, we should take it as true. If this is what the Progressive Party stand for, well, I would not blame them; I may differ from them. I will just conclude my remarks with one appeal to those speakers who may come after me. I have tried in my humble way to see that this undesirable communal controversy does not crop up in this debate, because, if I had the slightest suspicion of that, I would not have sent in my Motion.

THE HONOURABLE THE PRESIDENT: You have already said that at the commencement of your speech.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I hope and trust that those gentlemen will also try their best to see that this question is not clouded by the communal issue.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I wish to support this Motion not entirely on the grounds that have been put forward by the mover, but also on another ground of my own. In all these communal quarrels, my information has been that there is a third party which intervenes and brings about these quarrels. In my part of the country, we have been treating Muhammadans like brothers for ages and ages. They attend marriages in my house and I attend marriages in theirs. Who is the third party who interferes and brings about a fight between these two communities? I support the proposition for an inquiry purely on the ground and in the hope of being able to discover this third party which brings about this difficulty and then disappears and whom it is not possible to get hold of. When the reports come in, that from the popular side is in their own favour and that from the Government say they did everything possible, and between them this third party escapes. I want this third party to be found out and properly punished, so that the different communities inhabiting India at present and who have to live together may always have confidence in each other. So I support this Motion in the hope of this third party being found out. (An Honourable Member: "Who is it, an individual or a community?") I do not know whether it is an individual. If I could find him I would prosecute him tomorrow! All I know is that people who have been living together for generations in amity and who join in each other's celebrations are suddenly involved in a quarrel. Is it Satan come among us taking human shape? If it is, it is desirable for us to get hold of him and beat him. That is my reason for supporting this Motion.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I intervene in this debate at a somewhat early stage because I understand that some Members of the House would like to hear a little more about what occurred at Karachi on March 19th. I can really do little more than supplement what has been said in the very long communiqué which has appeared in the paper today and I trust I shall not exceed my time in giving a summary of what occurred. The Honourable the Home Member is fortunately here today and can take up any further points and explain in greater detail the reasons which led the Government of Bombay with the concurrence of the Government of India to come to the conclusion that no inquiry is necessary or desirable. The main reason is that the facts in this case are in our view comparatively simple. They have been ascertained from the reports of local officers, both civil and military. They have been ascertained by a visit paid by the Home Member of the Government of Bombay, which was not as short as it is sometimes suggested. Actually he went there, flew there, on the 28th, spent the whole of the 29th there and left some time on the 30th. As I say, the facts being comparatively simple, having occurred in a limited period of time and over a limited area of country, there was no particular reason to spend any very lengthy time at Karachi to ascertain and satisfy himself that the reports received from others were correct. I recognise that in certain cases where occurrences of this kind have occurred, inquiries have been held; but I submit that those cases, such as the riots in Cawnpore, were on an entirely different footing from this event in Karachi. In Cawnpore there were riots lasting over a period of three or four days and nights. What had happened exactly was uncertain and Government itself wanted to find out exactly what had happened. There were also at that time numerous other inquiries being started and Government wished to have an authoritative inquiry to ascertain the true facts. In this case, as I say, the facts are easily ascertainable, and the two points on which we have to satisfy ourselves on this case, as the Honourable mover of this Motion in his very moderate and reasonable speech has said, are whether

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the precautions taken were sufficient and whether the firing was justified? Those are two perfectly straight issues of fact. As I have said, the whole thing is described in great detail in this communiqué. There is no reason to suppose that the Government of Bombay are in any way concealing the facts or trying to gloss over any of the points which may appear difficult. They have not concealed the number of casualties, which I regret to say have risen since I last made a statement on the subject in this House. The number of the dead has been accurately ascertained, both those who died in the Government hospital and those who died in other hospitals or in their own homes. They have not concealed the fact, a very regrettable fact, that five small boys were killed, probably accidentally as a result of a ricochet or something of that kind in the closely congested area in which the firing took place.

Well, Sir, I do not deal with the earlier events leading up to this occurrence. The facts are, I think, well known. The Government of Bombay made certain decisions in regard to what action should be taken in connection with the execution of Abdul Qaiyum, they have given their reasons for those decisions, one of which was that the body could not be moved elsewhere for burial, although that was the wish of the relatives. The reason for that was—in my view a perfectly valid reason—that they anticipated, and the other Government, the Government of the North-West Frontier Province, whom they consulted in this matter shared their apprehensions, that if the body was taken elsewhere it would lead to far more widespread trouble and far more serious disturbances. Those decisions are explained and the reason for them given in the early part of the communiqué. I go on to what happened on the actual day of the execution, March the 19th. The local officers, for reasons which are given in detail, considered that the best action to take would be to conceal as far as possible the fact that the execution had taken place, but at the same time to give the relatives every opportunity of performing the last funeral rights on this unfortunate man in the proper and orthodox Muhammadan fashion. They had at the same time to take precautions to see that nothing happened to disturb the peace of Karachi, a densely populated city where there is a mixed population of about half and half Muslims and Hindus. They decided on this policy of secrecy. It has been suggested that they did not take the local leaders of the community sufficiently into their confidence. Well, Sir, on occasions like this it is very difficult even for the most influential local leader to exercise a restraining influence over a mob. That you will see from the actual account of what occurred. There was a certain amount of trouble at the jail on the 4th March, when the local leaders could not get the crowd to disperse. There was the trouble which occurred at the cemetery itself when the body was actually being buried, and to quote the words of the communiqué :

“ A violent altercation occurred between the two parties as to whether the burial should go on in the cemetery or whether they should take the body to some other place”.

or, as we hold, in a procession through the streets of Karachi. That was the difficulty, that the local leaders might not have had sufficient control over the mob if the local officers had concurred in their proposals. But, Sir, the District Magistrate had consulted the local leaders, and had discussed the situation with them in the interval, in the early days of March, and what he says is this. They put before him two suggestions which he regarded as wholly impracticable, that the prayers should be conducted at the Idgah in the heart of the city or on the plain in front of the jail. He was satisfied that those

suggestions were impracticable and would only lead to a serious disturbance. He adds :

“ In conclusion it is clear from the conference with the leaders that no assistance could be obtained from them in preserving order ”.

He might have been right or wrong over that. At any rate he decided to adopt this policy of arranging for the execution to take place in the early hours of the morning and endeavouring to complete the burial of the body before a large crowd could have collected. I might explain briefly—it is possibly not very clear from the communiqué—the geographical position of Karachi. Karachi is a big town and on the north of the town there is a river called Lyari Nullah. At this time of the year it is entirely dry and can be crossed at almost any place. There is one regular crossing, but anybody who knows that type of river can well imagine that you can cross it at this season of the year anywhere on foot. The jail itself is about a mile or two to the east of the town and directly north of the town, north of the Lyari Nullah and about half a mile or a mile away, is a big burial ground or a series of burial grounds, which have been described in the report. It is about a mile and a half from the inhabited portion of the town.

Now, Sir, I get on to the preventive measures. It has been suggested in the course of the debate in another place that the District Magistrate might have stopped a crowd collecting. Well, Sir, the frontage on this river and the number of roads leading from the town to the cemeteries is very large. The distance in all is in fact about two miles. Anywhere on those two miles people can come out of the town and go straight across to the burial ground. It is very different from a town like Delhi or Lahore where you have still a wall round the city and where you can block the exits and stop people coming out of town at a particular gate. That was quite impossible. I am not a soldier or a policeman, but looking at the matter from the commonsense point of view and in the light of my experience as District Magistrate it would have wanted two or three thousand or probably more police or possibly mounted troops to prevent that crowd assembling at the cemetery. Well, Sir, the body was taken to the cemetery ; the relatives were informed ; they went there with the full intention of performing funeral rites according to the orthodox Muhammadan ritual, but, Sir, there was a good deal of delay and the crowd got bigger and bigger. The Magistrate was himself there at first with a small body of police. Another question which may arise at this juncture is why did not he disperse the crowd at the cemetery? Well, Sir, if he had done so, he would have been open to serious criticism. The crowd at that time was doing no harm ; he was not certain what their ultimate intentions were. They might have been quiet and followed the wishes of the relatives and a certain number of responsible leaders who were there at the burial and broken up and gone to their homes quite peaceably. Apart from that the nature of the ground was such—there were a lot of tombs, walls, trees, and other impediments in an open plain—that it would have been very difficult to disperse a mob in that area. I do not emphasise that point but I do emphasise the fact that as long as the crowd remained peaceful and while they were carrying on the funeral rites, there was a chance that they would not do anything more, that they would be content with carrying out the funeral, pay their last respects to Abdul Qaiyum and then break up and go home quite peaceably. Unfortunately the more violent members of the crowd had a different opinion and there is no doubt from the reports which we have received and from the information which the officers got that after certain prayers had been completed a section of the mob got hold of the body and began to bring it straight towards the town.

THE HONOURABLE MR. G. S. KHAPARDE : What did the mob consist of? Hindus or Muhammadans?

THE HONOURABLE MR. M. G. HALLETT : They were practically all Muhammadans, as I understand from the reports that I have seen. As long as they were in the cemetery there was no intention of attacking the few Hindus who might be found there. But the whole danger was—and I think anybody who has had any experience of communal rioting will agree that it was a real danger—that the crowd which judging from the evidence was inflamed and highly excited—would make its way to the middle of the city of Karachi. That at least was the view the local officers took and they determined that it was essential to prevent them coming into the city. As you will see from the communiqué, after some of the prayers had been completed,

“At the point where the beaters ought to have turned to the burial ground those who had obtained the possession of the body swept away the opposition of the relatives and those who desired at once to complete the burial while the barrier of lorries, cars, carriages, etc., which had been arranged to obstruct the crowd broke up on seeing the size and the temper of the advancing procession”.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : By whom were the lorries arranged?

THE HONOURABLE MR. M. G. HALLETT : By a certain Maulvi who was at the shrine at which the funeral was being carried out. Previous to this the District Magistrate had left the cemetery taking with him the main body of police, and left only three or four police. He saw he could not disperse the crowd there and he had to concentrate on getting back to the city and preventing any disturbances within the city. From 7 o'clock or an earlier hour a British regiment had been “standing by” all ready in their barracks with lorries and other vehicles ready to take them to any point of danger. At a later hour an Indian regiment, which is also in Karachi, was also standing by ready to move to any danger point. The difficulty which confronted the District Magistrate was he could not tell where trouble might not break out. The whole city was very excited over this incident and trouble might have taken place at any part of the city. He therefore did not move the police from any particular police station; they had to stand by at each police station; each station had to have its full complement of officers and men. He had even arranged to have a large force on the main roads leading from the cemetery to the town, and just on the south bank of the Lyari Nullah there was a force of about 300 men of the Royal Sussex Regiment and at least in one place 150 police. How many he had in other parts I am not sure, but these he had on the roads leading from the Nullah up to the town. Then the crowd advanced. I have heard it suggested that this crowd was possibly not violent or out for mischief. That suggestion can be shown to be without foundation. In the first place, an incident had occurred whereby a military officer and police sergeant and two honorary magistrates who had come in from a side road and got to the head of the crowd in a motor car were attacked by the crowd. They were rather seriously injured, but they were not in danger of death. They managed to get through to the place where the troops and police were. Still the crowd came on. The crowd first of all broke through the police who were in advance; about 50 to 100 yards up the road ahead of the troops. The police were armed with *lathis* while some had guns; but they were driven back. On that a platoon of the Royal Sussex Regiment advanced with bayonets fixed. It was an extremely good example of a very highly disciplined force being used in difficult circumstances. They advanced at the “double”; they drove the

crowd back for a short distance or at any rate held them up; they did not use their bayonets. Having achieved their object by that means they fell back to their original position about 100 yards back.

THE HONOURABLE THE PRESIDENT : I must bring to your notice that you have two minutes more.

THE HONOURABLE MR. M. G. HALLETT : I will try and finish within my allotted time.

Then, Sir, the next point that I would make is they did not fire until it became absolutely necessary. They took the right step. The first order was for a single man to fire at the ring leader. There might have been hopes, in fact, one would, is such a position, sincerely hope that the crowd, having seen that the troops had first tried to drive them with their rifles and had then fired a single round, would have been held up by that action and would not have tried to advance. Instead of that, Sir, they advanced until they came pretty nearly on to the top of the troops and, as both the civil and the military officers have asserted, the position was so serious—with this huge mob on all sides, armed with stones, *lathis* and other weapons they had picked up on the way, coming right on to the troops—that as the military officers have specifically reported, if the troops had not fired they would have been in danger of being overwhelmed themselves—and the same fact has been reported to us by the civil officers who were on the spot. I submit, Sir, from that it is clear that the local officers took every possible precaution to avoid a situation which ultimately unfortunately arose, and that when finally the troops were called on to fire they did so because there was no alternative. It is no pleasure to troops to fire at a crowd of that size and at that range, but they were forced to and I think it will be agreed that by doing so they saved the town of Karachi from a far greater disaster than the disaster which occurred. I think we should pay a great tribute to these troops for their discipline and steadiness in the face of a very difficult situation and to the officers, both civil and military, who were in command. (Applause.)

Sir, I am afraid I have exceeded my time; the further points will be dealt with by the Honourable the Home Member.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable the Home Secretary inform us who was the officer deputed by the Government of Bombay to inquire into the matter?

THE HONOURABLE MR. M. G. HALLETT : Mr. R. D. Bell, Home Member to the Government of Bombay.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan) : Sir, I should like to congratulate the Honourable Raja Ghazanfar Ali Khan on the moderation and responsibility with which he has spoken on this Motion. Sir, before I offer any observations on the Motion itself, I should like first to condemn this habit of extolling murderers. Sir, murder is murder, whatever the motive of the murder may be.

THE HONOURABLE SIR HENRY CRAIK : Is the Honourable Member suggesting that the troops were murderers?

THE HONOURABLE MR. P. N. SAPRU : No, no. Murder, Sir, is murder whatever the motive of the offender, and where the motive is religious fanaticism or religious patriotism you cannot condone murder. Murder is murder,

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and I think, Sir, we ought to take a very strong stand in regard to this matter. I think responsible men ought to be very careful in using language in regard to the activities of murderers.

But while saying this, I feel, Sir, that Government would have been in a stronger position if it had agreed to an inquiry. I am not suggesting that the firing was unjustified. It may have been justified or it may not have been justified. I have an open mind on that question. I am not in any way censuring the Government or the officers for the action they took. That action may have been justified or it may not have been justified. The point is that a demand for an inquiry, which was supported by a large number of representative men in the other House, has been ignored by the Government and I think, Sir, that really Government would have been in a very much stronger position than it is now if it had acceded to that request. After all, Sir, it was not a very difficult matter. You could have appointed one or two sessions judges to hold an inquiry and go into the whole matter very carefully. They could have submitted their report, and if the report had been in your favour then you could have come forward if there had been any discussion and said: "Well, here is a report which completely justifies the action which was taken by our officers". Now, Sir, take Cawnpore—reference was made to Cawnpore by my Honourable friend, Mr. Hallett. Sir, what happened at Cawnpore? After the Cawnpore disturbances, the then acting Governor of the province, Sir George Lambert, said that the officials in Cawnpore had behaved magnificently, that everything that could have been done to avert disaster in Cawnpore had been done by the officials. But after that an inquiry was held and what was the report of that inquiry? The inquiry censured Mr. Sale, I think he was the Collector at Cawnpore. Therefore, Sir, it is no use saying that the Home Member paid a flying visit to Karachi. He was there on the 29th and 30th. After all, he could not have seen all the people. He could not have seen all the interests—(An Honourable Member: "He did not see any")!—all the interests affected by this unfortunate occurrence and therefore when you ask us to accept the Home Member's version as correct,—I am not suggesting that the Home Member did not apply his mind very patiently and very thoroughly,—but when you ask us to accept his statement as correct, you are asking us something which we find it difficult to necessarily accept as wholly correct. Therefore, Sir, I feel that I should not be justified in opposing the Motion of Raja Ghazanfar Ali Khan. There are one or two other things which strike one as strange. Why was the crowd allowed to collect at all? And why was the police force withdrawn?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: On a point of explanation, Sir. The crowd collected to perform the funeral rites. When a Muhammadan dies, every other Muhammadan is quite welcome and generally takes the trouble to perform the funeral rites.

THE HONOURABLE MR. P. N. SAPRU: Well, I should certainly prevent a crowd gathering to honour a murderer.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: They were not honouring him.

THE HONOURABLE MR. P. N. SAPRU: Well, it really comes to that. I am not suggesting that the officials blundered. It may be that they did not

blunder. But on the material before me I am not satisfied that there is not a case for an inquiry and therefore I will consider it my duty to vote with my friend Raja Ghazanfar Ali Khan.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, I associate myself with my friend and colleague, Mr. Sapru, in congratulating Raja Ghazanfar Ali Khan on his very moderate speech. He has condemned the murderer which every responsible man should do. He has expressly said that there should be no communal feeling so far as this Motion is concerned and I entirely agree with him. There is one doubt in my mind so far as this inquiry is concerned, and it is this, that the communal feeling at Karachi is so high nowadays that if an inquiry of this kind were to be held, in the course of which hundreds of Hindus and Muhammadans would come forward to give evidence, it might precipitate another communal riot. If this danger could be warded off, then I would have no objection to an inquiry, but this is a very difficult point and I do not want to see the disaster we have already experienced repeated in a worse form by way of a general communal riot. Then, Sir, as far as the communiqué is concerned, I think the Government has tried to explain facts to the best of their ability. There are two points which are not very clear to me in this statement, and I would request the Honourable the Home Member, who has graced this House on this occasion, to satisfy us on them. The first point is this. Abdul Qaiyum was buried. There was no hurry for the District Superintendent to leave the place, leaving the situation in the hands of a mob of two or three thousand who had collected there as they say. The communiqué says:

"Fifteen or 20 minutes afterwards, the District Magistrate and the District Superintendent of Police withdrew with the police. At this time the crowd around the walled enclosure numbered two to three thousand and was rapidly increasing".

If that was the position, how far was it proper for the authorities to leave the place in the hands of the mob? That is point No. 1. My second point is this. By the communiqué we find that two rounds were fired by the military. I would request the Honourable the Home Member kindly to explain if it was the minimum firing required to save the situation? These are the only two points that have struck me on reading the communiqué as requiring further elucidation from the Government. I will decide what to do on this Motion after hearing the Members on the two points that I have mentioned.

*THE HONOURABLE MR. V. V. KALIKAR (Central Provinces: General): Sir, I really congratulate my Honourable friend Raja Ghazanfar Ali Khan on the way in which he has dealt with this case. Before the communiqué was issued, I also found some difficulty in making up my mind one way or the other whether the Government had committed a mistake or whether the crowd was really so threatening that Government was forced to employ the force they did. After the issue of the communiqué, Sir, and after reading it, I have come to the conclusion that the steps taken by the Government were proper and that if those steps had not been taken, Government would have been responsible for any further trouble that might have been created in the city. I speak with some knowledge of these troubles. In Nagpur we had such a riot in 1928. I do not want to enter into any communal wrangle over the affair. The point is clear that this trouble arose because a particular fanatic murdered another fanatic without any excuse except that he had written a

* Speech not corrected by the Honourable Member.

[Mr. V. V. Kalikar.]

malicious book against his Prophet. That really shows that the whole trouble had assumed a communal aspect. The incidents of 4th March, as reported in the communiqué, clearly show that communal feeling was excited there and therefore the mob that had collected was not in a mood to listen to the peaceful advice of the Muhammadan leaders there. That again clearly proves that communal feeling was at its height. It is mentioned in the communiqué that the pit which was dug first under police supervision had to be filled in because the Muhammadans did not like the body buried there. That further corroborates the view which I hold that it was really a communal trouble. The facts brought out in the communiqué show that the local officers tried their utmost to disperse the crowd. I believe the local officers had no other alternative but to act in a certain way. I really feel for those innocent people who lost their lives in this trouble. But then, Sir, what would have been the position if those people had been allowed to enter the city? I am afraid I cannot imagine it. Things of the same nature have occurred in the past in Delhi, and similar things have happened in Nagpur also. I cannot therefore lend my support to the Motion of my Honourable friend, because, on reading the communiqué, I find that the action taken by the Government was the proper one to take.

My Honourable friends Mr. Sapru and Mr. Mehrotra brought out a point as to how the officers allowed such a large crowd to collect there. If the information given in the communiqué about the situation in the graveyard and the information given to us today by the Honourable the Home Secretary are correct, then I think it was not possible for the Government to control the mob then. Therefore, Sir, I do not find my way to side with my Honourable friend Raja Ghazanfar Ali Khan.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, it is a great misfortune that we cannot talk in terms of India. The Government has been the greatest culprit in this respect. They have always tried to fan up communal feelings whenever they have had an opportunity, and some of our own Members have been listening to the siren songs of the Treasury benches. The question before the House has nothing to do with the communal tension or with the merits of the shooting. It really concerns the management of the civil authorities in Karachi which brought about a situation where the military were compelled to open fire. The whole handling of the situation by the civil authorities is before the House. If precautions had been taken and preventive measures had been adopted this situation would not have arisen and I shall try my best to prove it to the House. The

5. P.M.

Honourable Home Secretary has informed us that this communiqué is the result of the inquiry made by the local officers and also of the scrutiny of the Home Member of Bombay who paid a flying visit to Karachi. I do not doubt the honesty of the officials but I gravely doubt their ability to understand Indians. They live a life of their own, detached from us. They do not know even the feelings or the troubles which actuate us. I will give you one concrete instance from a place well known to the Honourable Home Secretary himself, a district of which he was the District Magistrate before he went to the local Secretariat and became Chief Secretary. A *julaha*, a person well known to the Home Secretary, who was given a title, was gazetted as a Saiyid, and he still figures in the Gazette and in the Civil List as a Saiyid. And between a *julaha* and a Saiyid there is about as much difference as there is between a Cockney and an Argyle Highlander!

MOTION FOR ADJOURNMENT.

THE HONOURABLE MR. M. G. HALLETT : When was I responsible for this? When I was District Magistrate of Gaya?

THE HONOURABLE MR. HOSSAIN IMAM : It was when you were in the Secretariat and you know the gentleman to whom I am referring. I am not going to name him; he still appears as a Saiyid in the Civil List. So that Government officials do not know what are actual facts. This demonstrates their knowledge of conditions in India.

Now, Sir, what are the real facts? The real facts are that the burial ground is at a distance of two miles outside the city proper. Beyond are hamlets, the Lari quarter, in which poor men, non-Sindhis, have their hamlets. Just outside that Lari quarter is the Idgah, the place where Muhammadans go on the occasion of big gatherings to offer prayers. The mob was taking the dead body to that mosque to offer prayers. They could not understand the perversity of the Government which was trying to prevent them performing a very ordinary sort of service which is always offered to a dead man. And here I should like to draw the attention of some of my Honourable colleagues who condemn this sort of action that a Resolution honouring Bhagat Singh was passed in the Congress and in the Legislative Assembly there was a walk-out. Even Englishmen were guilty of this sort of thing when their spies were executed by the Germans. I remember during the war that memorials were raised to these spies and they were honoured. Every nation honours its men whether they do right or wrong. (*An Honourable Member* : "There is no analogy between a spy and a murderer!") What, a spy who brings about the death of thousands of people by giving material information to the enemy? Living in the protection of a country and acting against that country is as bad as anything could be. And England has honoured her spies any number of times. Now, Sir, as I was saying, they were simply taking the dead body to a mosque.

THE HONOURABLE MR. M. G. HALLETT : A mosque beyond the burial ground, further from the city than the burial ground?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir. The thing is like this. (*An Honourable Member* : "Have you visited the place yourself?") I have been told by a man who lives there. (*An Honourable Member* : "That is hearsay.") They are also relying on reports from local officials. I have my information from non-official quarters, from men who live there and who know their people and who know their minds. Just beyond the Lari quarters happens to be the mosque and that mosque is at a distance of about three or four furlongs from the nearest outskirts of the real city, by which I mean where the *kutchi-pukka* houses are built. These Lari quarters are just hamlets, like the hamlets of the labourers employed in New Delhi. Now, a mass of 20,000 men, according to their own version, under no control and having no leader, is going to offer a duty which it thinks is incumbent upon it, and it is intercepted and no warning is given to the mob to disperse. One of the first essentials which the Hunter Committee, which sat to report on the affairs of 1919 in Bombay and the Punjab and Delhi, recommended was that warning should on every occasion be given to the mob to disperse. No warning was given. Their case is that men armed with rifles and bayonets were faced by an unarmed mob of 20,000 and they had to shoot in self-defence. Could they not retire further back? Could they not join forces with the 270 other men of the army who were present on that occasion? When they came out of the Lari quarters and beyond the Idgah into open country, they could have been surrounded. There were not only 300 men present, but 300 British troops alone. There were Indian troops besides and there were the police. It was quite

[Mr. Hossain Imam]

possible to put a sort of cordon round the whole mob and prevent them from proceeding.

THE HONOURABLE MR. M. G. HALLETT: Might I ask the Honourable Member how many men it would take to surround a mob of 20,000?

THE HONOURABLE MR. HOSSAIN IMAM: Three hundred men with rifles can control a mob of 30,000. (Laughter.) Most certainly. There is no doubt about that. (An Honourable Member: "You have had a lot to do with mobs?") If you tackle them at the wrong point you cannot stop them. In this case the whole mob was packed into a small space. It was just like Jallianwala Bagh and nothing more. They were out to create an effect, and a deterrent effect at that. In that case too we had Sir Michael O'Dwyer, who gave *carte blanche* to and supported General Dyer in his action. But was that reason enough for the Government not to appoint a committee? If the Government could appoint a committee in that case, even after the certificate of the Governor, why should they not appoint a committee now? My point is, what does the Government lose by it? If they have a clear conscience, if they think their men have behaved well, they have nothing to fear. They can appoint a committee consisting of officials and non-officials to make a judicial inquiry into the matter, into the arrangements made to prevent the necessity for firing arising. It is not their case that this thing was unexpected. The local officials knew perfectly well that feelings were running high and there was bound to be trouble. Therefore they were guilty of criminal negligence in not taking care beforehand and in allowing this thing to develop to the stage it did.

One word more. The fact that the mob consisted of boys goes to show what was the intention of the Government. It was not a militant crowd out to have communal trouble; it was not a crowd which was there to defy the Government. If it were, it would not consist of boys and boys in the front line. You do not mean that the boys were at the back? They must have been in front. No sensible man would bring his sons or relatives, young boys, to a place where they think that they are going to fight and fight with bayonets against an unarmed mob; it is impossible. I do recognise that the local officials and the military may have in the circumstances in which they were placed had no option but to shoot. But why allow such a situation to crop up? I appeal to the Government not to stand on a misconceived conception of dignity and prestige. It is by these means that you add resentment and court displeasure from the public. If you allow this, if you let the gas escape, if I may say so, then you will do better; you will endear yourselves to the people of the country and that is a thing which will pay in the long run.

Sir, I support the Motion.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, it is a matter for extreme regret that communal colouring has been given to the discussions that have taken place on this occasion. (Several Honourable Members: "No, no.") I am glad to know that there was no attempt to give this matter a communal colouring and this was what was desired by the Honourable mover himself.

THE HONOURABLE MR. V. V. KALIKAR: I stated the facts as they were represented in the communiqué.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I say that I am glad that the Honourable mover made it perfectly clear in his speech that in moving this Motion he had not the least intention to justify any murders that have been committed, the murder that had been committed on account of religious fanaticism. He made it perfectly clear and I concur wholeheartedly with him that according to the tenets of our religion no murder is condoned even though it might have been caused by religious fanaticism. I join in the felicitations that have been offered to the mover of the Motion on the extreme reasonableness and moderation which characterised his speech. He pointed out how this House is naturally averse to moving Adjournment Motions. He pointed out how it was open to this House to move a similar Motion just a few days ago but on account of its natural unwillingness to raise an unnecessary alarm when the same matter could be dealt with in another place this House did not do so and if now such an attempt has been made it is because the House is perfectly convinced that this is an occasion when silence would do more harm than criticism. Sir, in view of the different opinions that are held in the country, in view of the conflicting versions that are given of the incident that took place at Karachi, it is perfectly clear that the explanation that has been given by the Bombay Government is not calculated to set at rest the doubts that had been expressed in the matter. Sir, the Government would have been well advised in agreeing to appoint a committee of enquiry which was demanded by the Legislative Assembly and which demand was supported by such an overwhelming majority. Sir, these doubts which are besetting the minds of the people in the country are very serious. These doubts have been expressed not by extremists, but by persons whose sense of responsibility and whose solicitude for law and order cannot even for a moment be doubted. Persons like Sir Ghulam Husain Hidayatallah, who has been a Member of the Executive Council of Bombay, have clearly been of opinion that the firing was indiscriminate, that the very fact that children were shot dead went to show that the firing was not quite discriminate. He was not content merely with the expression of his bare view; he referred to facts to show that the firing was not justified, at least the firing was not quite justified; the force that was used was not absolutely necessary. Again, Sir, from the explanation that is now given by the Bombay Government it looks as if the actual place where the burial had to take place was one which was enclosed all round, that it was a walled enclosure. If such was the case I think it would have been quite possible for the authorities to have prevented the mob from getting into that enclosure and forcibly taking away the body from the grave. If, Sir, these precautionary measures had been adopted and police or military had been posted all round the enclosure, it is just possible that the mob would not have got at the body and all this trouble would have been averted. But, Sir, we have also on the other hand the version from the Government that the authorities took all possible precautionary measures, that they did all they could to avert the disaster. Therefore, when you have these conflicting views, it is highly necessary that the whole thing should be investigated in a more thorough way, that a committee of enquiry should be appointed to go into the matter more thoroughly and this committee should have the confidence of the public also by having on its personnel two or three leading men of the locality. By making this kind of enquiry the Government would not stand to lose at all. On the other hand, I am of opinion that if the authorities have behaved quite discreetly, if they have acted in self-defence, if they have taken all the measures that they could to prevent this calamity, they would be given an opportunity to justify their conduct and the result of that enquiry would be not only to set at rest the doubts entertained by the public but also to clear the conduct of

[Saiyed Mohamed Padshah Sahib Bahadur.]

the officials. It may also have another advantage. The facts which transpired might go to show how such events could be managed in future, how, by adopting some particular preventive measures, it would be possible to ward off such dangers. Therefore I feel that there is no danger whatever of running any risk if any such commission of enquiry is appointed; on the other hand it will go to clear the conduct of the officials if they have behaved with necessary caution and care.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I move:

"That the Question be now put".

THE HONOURABLE THE PRESIDENT: Sir Henry Craik.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: May I know one thing, Sir? Is the Honourable Home Member giving a final reply or whether the Home Secretary will have the right of reply?

THE HONOURABLE THE PRESIDENT: The Secretary will have the right of reply if you reply.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: That would be very unfair.

THE HONOURABLE THE PRESIDENT: That is the procedure sanctioned by the Standing Orders.

THE HONOURABLE SIR HENRY CRAIK (Home Member): Sir, my principal object in speaking this evening is not to go into the facts of this deplorable and deeply regrettable incident, but to justify, I hope to the satisfaction of the House, the reasons which led the Government of Bombay, with the full concurrence of the Government of India, to decide against holding any enquiry.

Now, Sir, if I had been in lack of reasons for justifying that decision, I have had the best possible reason supplied to me by the speech of the Honourable Mr. Hossain Imam a few minutes ago. That Honourable gentleman has already made up his mind as to the occurrences of the 19th of March. He has already come to certain conclusions founded partly on his own bitter racial prejudices and partly on an almost pathetic ignorance of what actually occurred. He has come to the conclusion that Government having deliberately fomented the communal trouble at Karachi, as it always does elsewhere, had instructed its troops to fire on an entirely defenceless and peaceful crowd carrying out a legitimate religious rite, with the intention of showing an example, I think he said, as they did at Jallianwalla Bagh! Now, Sir, that kind of thing is of course all very well for the orange-box orator at Chowpati sands—

THE HONOURABLE MR. HOSSAIN IMAM: Or the Hyde Park speaker

THE HONOURABLE SIR HENRY CRAIK—or wherever it is that the Congress holds its meetings, but I regret very much to find that kind of stuff talked in this House. If the Honourable Member had had even a small part of the experience I have had in dealing with communal troubles and communal riots or one-tenth of the experience which I am sure several other Members of this House have had of angry and excited mobs, it is impossible that he could have given expression to any of those sentiments.

I do not think I need deal with the Honourable Member's speech any longer but I would like to clear up two points of fact which were put by the Honourable Mr. Mehrotra. He asked, first of all, why did the district magistrate withdraw from the graveyard at about 9 A.M.? At this time the district magistrate had with him a party of 125 to 150 police. The crowd around the walled enclosure was then about two or three thousand strong but was increasing in numbers momentarily. It had been decided as the result of careful deliberation that no attempt was to be made by the authorities to engage the crowd at the graveyard, that is to say, to prevent it carrying out such last rites as it thought proper. The actual graveyard in which the body was first buried is a small walled enclosure of about 60 or 70 yards square. There is a low wall round it which the mob could and did scale on all sides. A force of 150 police in a position like that, where they were open not only to attack but to being swept aside by a crowd from any direction, was, of course, it will be obvious to anyone with experience, perfectly useless. The district magistrate could do nothing with them there. The force, if retained there, would have been just so many men wasted and he therefore decided that his proper course was to withdraw this body of men to the police headquarters inside the city, which was the principal nucleus of his force and whence it was in a position to move at once to any danger point inside the city which he conceived to be his main duty to protect.

The second point is whether in the actual firing the minimum of force necessary was used. Now as to that, Sir, I think that it is sufficient to reply that less than two rounds per man were fired, although at the time when the troops were compelled to fire the mob was practically on the top of them. If the troops had not fired at that moment, they would have been overwhelmed immediately and the mob would have swept on triumphantly into the city. Now, Sir, it has been alleged that this was a peaceful crowd intending either to say prayers over the corpse at some place in the city, or to bury it in some place inside the city.

THE HONOURABLE MR. HOSSAIN IMAM: Outside the city.

THE HONOURABLE SIR HENRY CRAIK: You say outside the city. But you do not know very much about it. The allegation made by the local leaders was that this was a peaceful crowd intending either to say prayers over the corpse or to bury it in an Idgah inside the city.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The Idgah is not inside the city.

THE HONOURABLE MR. HOSSAIN IMAM: There can never be an Idgah inside the city. This is your knowledge.

THE HONOURABLE SIR HENRY CRAIK: Well, anyhow the allegation was made, first, that this was a peaceful crowd and secondly, that they were taking the body inside the city in order to perform some form of funeral rite. Now, I would like to recall in the House what happened in a precisely similar event in Delhi in the year 1927. (An Honourable Member: "That is an old story".) It is an old story but it happens to be peculiarly in point. There too the body of a Moslem fanatical murderer was handed over to his relations outside the jail. But although the relations had promised to bury it in the burial ground opposite the jail, a mob of people pushing aside the relatives seized the corpse on the bier and started at a run for the city, sweeping aside the police guard and passing a guard of troops that was stationed at the

[Sir Henry Craik.]

Delhi Gate succeeded in carrying the bier inside the city. They ran up the Faiz Bazar towards the Jumma Masjid closely pursued by the police—in fact the police were all round them but being a small body were unable to get in front of them and intercept them. Within that short period of time—I do not know how long it was—probably my Honourable friend on my right will be able to inform the House—this crowd, though actually closely followed by the police, succeeded in killing two Hindus, wounding 61, looting 52 shops and carrying away booty to the value of Rs. 10,000. All this a crowd which was a great deal more hampered by the police than the crowd at Karachi would have been, succeeded in doing in a very short space of time. One is justified in drawing the inference, which I know from letters, representations, telegrams and so on, is shared by a very large number of the people residing in Karachi, that if that mob had been permitted to get inside this densely populated city with a large number of people of the other community living there, that there must necessarily have been slaughter, wounding, looting, on a large scale.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Manceuvres—these telegrams!

THE HONOURABLE MR. HOSSAIN IMAM: Presumptions!

THE HONOURABLE SIR HENRY CRAIK: They may be presumptions but they are presumptions based on actual experience.

Now, it is well known to everyone who has had to deal with communal trouble in India that whenever it is a case of a Moslem mob dealing with a corpse of one whom to my great regret they call a *Ghazi* or a *Shahid*, the mob is apt to get very excited. I have seen that myself on several occasions. I remember in the case of the burial of Ilm Din, another murderer of the same type at Lahore, when I had to be in charge of the arrangements personally, we took the most careful precautions that the crowd, which on that occasion was an orderly crowd, that assembled to perform the last rites over his body, should not be allowed to go near the city. In fact, the most careful precautions were taken so that, once the last prayers were said, the crowd of those attending the funeral was carefully shepherded by a number of different routes, in small parties, back to their homes. I remember another occasion in Lahore in 1927 when there was a communal riot. The night before, five or six Muhammadans had been killed. The crowd carried out a funeral procession of these victims with a very large force of police escorting them to the burial ground, and they came back from the burial ground in comparatively orderly fashion. But directly they got inside the city, there were at least three separate clashes between the different communities and that night there were I think 16 or 17 cases of murder. I speak from facts within my own personal knowledge. I challenge any one to say that the District Magistrate of Karachi was wrong in thinking that if that mob had been allowed to get into the city, something of the same nature would have occurred.

THE HONOURABLE MR. HOSSAIN IMAM: No one has made that statement, Sir.

THE HONOURABLE SIR HENRY CRAIK: Now, Sir, I come to the question of the necessity for an enquiry. The first and principal reason why Government decided that no enquiry should be held was because they were convinced that it would have increased communal tension, and that it would have

been impossible within any reasonable space of time to establish that atmosphere of impartiality and communal cordiality in which alone such an enquiry can be successfully carried out. I have already pointed to the Honourable Member's (Honourable Mr. Hossain Imam's) speech as one specimen of the atmosphere of prejudice which has been created.

THE HONOURABLE MR. HOSSAIN IMAM: Prejudice against whom, Sir?

THE HONOURABLE SIR HENRY CRAIK: I have read many newspaper articles but hardly one which has not come down definitely on one side or the other. I do not think I am exaggerating when I say that I have received hundreds of representations—certainly many dozens—demanding that an enquiry should be held into “this cold-blooded massacre of innocent people”, but an equally large number of representations which take the exactly opposite line and say that the arrangements made and the steps taken by the district authorities deserve the thanks of all residents of Karachi. As regards the suggestion that the enquiry should be an impartial one, I see considerable difficulty in securing an impartial committee of inquiry, especially if, as suggested by at least one speaker tonight, it should include some local people. The local people, to put it plainly, are not impartial. As regards the local Muslim leaders—I take one specimen—here is a letter addressed to the papers by Sheik Abdul Majid, a member of the Bombay Legislative Council, who claims to be a local leader of Muslim opinion. It is perfectly clear from his communication that he is not in the least impartial. He has already made up his mind.

THE HONOURABLE THE PRESIDENT: I would request you not to read that letter. I have allowed statements to be read from the newspapers on this occasion only because the communiqué was published this morning and the Motion for Adjournment has arisen out of that communiqué. That is why I permitted it.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Let him read it. We are very much interested in learning the opinion of Sheik Abdul Majid.

THE HONOURABLE THE PRESIDENT: You may read it afterwards.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: We are also in possession of Sheik Abdul Majid's opinion.

THE HONOURABLE SIR HENRY CRAIK: You are under the impression that he has given no opinion. Your impression is very wrong. He has given most definitely the opinion that the Government officers were to blame.

THE HONOURABLE THE PRESIDENT: You can give the purport of that letter.

THE HONOURABLE SIR HENRY CRAIK: The whole purport of that letter is that the conduct of the Government officials throughout was deserving of censure. And that is the attitude taken in numerous other communications which have been made to us. It was the attitude taken by numerous speakers in the other House. It was the attitude taken, for example—I will not mention names—

(The Honourable Raja Ghazanfar Ali Khan rose to interrupt.)

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THE HONOURABLE THE PRESIDENT : You have had your say. You can reply later on.

THE HONOURABLE MR. HOSSAIN IMAM : Are the Government prejudiced against the non-officials ?

THE HONOURABLE THE PRESIDENT (to the Honourable Sir Henry Craik) : Will you proceed with your speech ?

THE HONOURABLE SIR HENRY CRAIK : I may inform my Honourable friend the mover of the Motion that an exactly opposite attitude is taken by numerous persons who have submitted representations to me, including numerous bodies which have their headquarters at Karachi itself. I have received numerous letters from them thanking the local authorities for the steps they took, and repelling the idea and controverting the demand that an inquiry is necessary or desirable.

We have had references to inquiries made in certain other cases. One was the inquiry at Peshawar where the inquiry was held by two High Court judges. That seems to me an unfortunate analogy to cite because the inquiry there was held at the request of the local Administration. It dealt with a much more complicated set of circumstances arising out of the arrest of certain Congress leaders and the inquiry, though held by two High Court judges, was not accepted by the Congress people, who instituted and attempted to carry out an inquiry of their own through the agency of the late Mr. Patel.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : There is no Congress member here.

THE HONOURABLE MR. P. N. SAPRU : May I ask the Honourable the Home Member one question ? It may help us to decide on this question. Is he prepared for an inquiry by two sessions judges ?

THE HONOURABLE SIR HENRY CRAIK : No, Sir. As the Honourable Member knows perfectly well, the decision has been announced today that there is to be no inquiry. That is the decision of the Government of Bombay in which the Governor General in Council concurs.

Another instance cited is that of Cawnpore. There again, as my Honourable friend Mr. Hallett has explained, there was a riot which extended over several days and nights. There were a number of non-official inquiries going on and Government came to the conclusion that in the peculiar circumstances of those series of incidents, an authoritative inquiry was desirable.

Sir, there is one other aspect of the matter which will perhaps not appeal to my Honourable friend the mover or those who supported him, but still is a consideration which Government are bound to keep in mind, and that is the effect of an inquiry on the conduct of their own officers when they may in future be faced with a set of circumstances of a similar character. I will take first the military. It is an established principle of law which is enshrined in the Penal Code that nothing is an offence which is done by a person who is bound by law to do it. That is to say, a soldier who fires at a crowd in good faith on the order of his superior officer commits no offence. That is a well known and recognised principle of criminal law and if Honourable Members will reflect they will see that it is a principle which is absolutely necessary in order to uphold the safety of the realm and the discipline of our military forces,

If a soldier knows that every time he obeys an order of that kind he is liable to have his conduct impeached before any kind of tribunal except that of his own military superior, then I can imagine nothing more prejudicial to military discipline or military order. If a soldier knew that his conduct was liable to be impeached he would hesitate every time before he would carry out such an order. That is the reason why in the case of military action Government is very reluctant to admit that there could be any case for an inquiry, beyond of course the most rigorous and searching inquiry that is invariably made into the circumstances by the higher military officers themselves. As regards civil officers, I would ask Honourable Members to consider whether the same considerations do not to a very great extent apply to them also ? A civil officer is confronted with a very serious emergency of this kind. He has to make up his mind, to use a slang expression, within a split second. He has no time to sit down and think out all the possible consequences and all the possible reactions of his decision. He must take a decision at once. Now, it is all very well and very easy for us sitting here some days later and with a full statement of all the circumstances before us to say, "Well, that was a wrong decision. He ought to have done something else". Possibly he ought. Anyhow, who is the final judge ?

THE HONOURABLE MR. HOSSAIN IMAM : Public opinion.

THE HONOURABLE SIR HENRY CRAIK : Public opinion ! Public opinion means what every individual who uses the phrase wishes it to mean. Public opinion in a matter of this kind is no guide because there are fifty different public opinions. I ask, Sir, who is the ultimate judge and what tribunal is competent to censure an officer who in circumstances of such difficulty may conceivably, while trying to do his very best to carry out his duty, have arrived at a decision which subsequently some other person, acting perhaps on a quite different set of information, may decide to have been wrong. The only conditions in which officers can be trusted to do their best in an emergency of this kind is if they feel that they have the public confidence and the confidence of their superiors behind them. I do not admit that the most careful inquiry and the most careful investigation has shown that any mistake was made in the handling of this most deplorable and unfortunate incident. I think that when the Government of Bombay came after the most careful, prolonged and anxious consideration to the conclusion that they must refuse this request for an inquiry, that was a conclusion that was wholly justified and which the Government of India were right in endorsing.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, I move :

"That the Question be now put".

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : Sir, I oppose that.

THE HONOURABLE THE PRESIDENT : The Honourable Mr. Yamin Khan.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : This is very unfair.

THE HONOURABLE THE PRESIDENT: I would advise the Honourable Member not to use that expression. I have a right to call upon any Member who gets up to speak on this question.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Yes, Sir. I am very sorry.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Sir, it is undoubtedly a most unfortunate circumstance when any mob is collected and it has to face a trained body of soldiers. At the same time it is a very painful duty for soldiers to perform when they have to shoot at a mob which is not armed. However hard-hearted a soldier may be, I do not think it is a pleasant duty for him. He does not wish to shoot his own countrymen. (An Honourable Member: "They were not Indian soldiers".) Whoever the soldier may be, Indian or British. As long as he is a soldier it is an unpleasant duty for him to shoot at a mob which is not out to fight him. However, when such a mob collects, it may be with no intention of endangering life or of fighting or doing any injury to any one, it may be with an entirely peaceful purpose, perhaps for performing some religious rite, then indeed the position is most unhappy both for themselves and for the people who are deputed to check them. In the present case the mob had collected with one peaceful intention and that was to take the body of the man, who perhaps wrongly or perhaps rightly they thought was deserving of a particular ceremony. I am not one of those who would in any way endorse the idea that a murderer should be extolled. The man is after all a murderer, as my friend the Honourable Mr. Sapru has said. Whether a murder is committed with a good intention or whether it is committed with a bad intention, it is a murder and it is a crime in the eyes of the law. There are some people who murder with a good intention. Intention is in the mind of the man. A man does not murder with a bad intention in all cases. The intention may be good or bad. It does not make the slightest difference.

THE HONOURABLE MR. P. N. SAPRU: You are extenuating murder?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I am condemning murder. I said in the beginning that in whatever way a murder is committed it is murder; it is a crime and so long as we have got our law in the country.

THE HONOURABLE MR. P. C. D. CHARI: You are murdering time!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My friend—

THE HONOURABLE THE PRESIDENT: If you go on discussing with these Members you will lose time.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I do not know what my friend means by murdering time. I am only talking about the murder of a man with whatever intention.

THE HONOURABLE MR. HOSSAIN IMAM: We are talking of the murder of 40 men.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Whether my friend holds one view or the other, whether there are other people who held

this view or not, I am not going into that controversy. There are some people who call one thing murder, the other not a murder. There are others who may call this also a murder. But I am not going into that controversy.

THE HONOURABLE MR. HOSSAIN IMAM: Are we discussing murder? We are discussing shooting!

THE HONOURABLE THE PRESIDENT: You are provoking him.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: If Honourable Members keep quiet they will listen to my arguments. If they put side questions they must have side answers. It is out of courtesy to Honourable Members that I pay attention even to their interruptions. For the sake of courtesy I am replying to them, though it is not my intention to go into these details. The point is that it was a sad incident: certainly it was a most sorrowful incident, and whenever the question comes of the people being shot at by military or police officers I think it is the duty of the Government to go thoroughly and carefully into the matter. The question is this. We have seen repeatedly that a mob which collected with good intentions in the past turned out at the end to be a furious mob, as has been pointed out by the Honourable Home Member and the Honourable Home Secretary. We have got before us the case of Cawnpore. I think the position in Cawnpore was that peaceful citizens got into shops and started asking the people to close their shops. They thought that it was very peaceful persuasion, to persuade these people not to do any business on that day. They asked *tongawallas* not to ply their *tongas* for hire on that day. We have seen that the mob—

THE HONOURABLE MR. HOSSAIN IMAM: Are we discussing the case of Cawnpore?

THE HONOURABLE THE PRESIDENT: Many of you have referred to the case of Cawnpore.

THE HONOURABLE MR. P. N. SAPRU: I referred to Cawnpore and I said that the enquiry disclosed a different state of things.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I do not wish to give way, Sir.

When this mob ultimately turned into a furious mob, what were the consequences at Cawnpore? I certainly think that we cannot always trust a peaceful crowd which collects for peaceful purposes to always remain up to the end as a peaceful crowd. It might become a furious mob. Action must be taken by the Government officials which may justify the situation. We have to see in each and every individual case whether the justification was there for the action to be taken. In this case, Sir, 47 people were killed and 100 and odd people were injured and certainly it is the duty of the Legislature and it is the duty of the Government itself to justify themselves not on the version of the people who are responsible to take that action but also to listen to the other side. I think it enhances the value of the Government and I think it leaves the position of the Government beyond any doubt if the Government gives an opportunity for the people to verify all the evidence they can have before an impartial tribunal. The tribunal can sit, but can it be called impartial? That is a very difficult question under the present circumstances. The suggestion is made that two sessions judges

[Mr. Mohammad Yamin Khan.]

should be appointed as a tribunal to go into this matter. I do not think that two sessions judges can sit as a tribunal. What would be the procedure? I ask them seriously what the two sessions judges sitting as a tribunal will decide? Whether the firing was justifiable or whether the firing was not justifiable? What law will they decide, what question will they decide? Will they summon witnesses? Who will be the witnesses? Will the list of witnesses be supplied by Government or be filed by some other authority? I certainly fail to understand what is in the mind of the Honourable Member who suggested that a tribunal of two judges should be appointed in order to make an enquiry and come to a decision. What will be their decision? I cannot understand this. Is my Honourable friend who made the suggestion serious or not? *(Some Honourable Members were laughing.)* If my Honourable friends can be so humorous even on an occasion like this I want to remind them that they are considering the serious thing in which 47 of the public have been killed—

THE HONOURABLE THE PRESIDENT: It is 6 o'clock. The debate automatically terminates.

The Council then adjourned till Eleven of the Clock on Thursday, the 11th April, 1935.

COUNCIL OF STATE.

Thursday, 11th April, 1935.

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

MEMBERS SWORN:

The Honourable Mr. A. deC. Williams (Government of India: Nominated Official).

The Honourable Mr. A. H. Lloyd, C.S.I., C.I.E. (Government of India: Nominated Official).

INDIAN FINANCE BILL, 1935.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I beg to move:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, in the form recommended by the Governor General, be taken into consideration".

Sir, this is the first time that the Finance Bill has been brought before this House for consideration after the beginning of the financial year to which it relates. The Honourable Members are aware of the reason why this has occurred. The passage of the Bill through what one of the Honourable Members on the other side of the House described the other day as "the polluted atmosphere of the lower regions" has taken longer than usual. The Honourable Members are, I know, anxious to get to grips with this Bill as soon as possible. They have been anxiously waiting for it and the last three days, during which they have been examining it, has, I see, produced a goodly crop of amendments.

I will only say this, that the Bill as commended to the consideration of this House gives effect to the taxation proposals which I explained in my budget speech and which were then generally approved by this House. The salt duty and the postal rates, it is proposed, should remain as in the past year. Certain small changes are made in connection with the duty on silver and the export duty on skins. The principal change which it is proposed to introduce is in connection with the surcharge on the income-tax and the super-tax and the tax on the smaller incomes. This it is proposed to reduce by one-third. These are the principal provisions of the Bill which I need not explain any further. I do not propose to anticipate criticisms of the clauses which may be made in the course of the debate: they can be answered when the various amendments are moved.

[Mr. P. C. Tallents.]

With these words, Sir, I commend this Bill to the consideration of the House.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I should like first with your permission to welcome the Honourable Kunwar Jagdish Prasad as Leader of the House here. Sir, the Honourable Kunwar Jagdish Prasad is a very distinguished citizen of the United Provinces and we of the United Provinces are particularly happy in seeing him here. He has a distinguished record of public service behind him and I am sure that in the discharge of his duties he will bring to bear a broad and liberal outlook. We expect, Sir, great things from him and we of the United Provinces are particularly proud to have a man from our province as our Leader of the House.

Sir, the Finance Bill has come to us at last but it has come to us in a certified and recommended form. The debate on the Finance Bill is in the circumstances bound to be unreal. We can offer observations on the proposals embodied in the Finance Bill but what is after all the value or what can be after all the value of these observations? The Bill is not going to be changed by a comma or a semi-colon. And we have to be parties to the enactment of this farce. The fiat has gone forth that the Bill shall become the law of the land and it will become law, whatever this Council may do, assuming that it wants to do anything.

THE HONOURABLE THE PRESIDENT : Order, order. The Honourable Member is under some misapprehension in regard to recommended Bills. A recommended Bill does not necessarily imply that the Governor General is not liable to make any changes or accept any amendments if this House makes it. It was pointed out in 1924 by the President of the Council that the fact of the Bill being passed not in the recommended form does not in any way fetter the Governor General. He has discretion and there is nothing to compel him to exercise his power. It is within the province of Government to withdraw the recommended Bill and re-introduce the Bill with the amendments made by the Council of State. Your statement is not correct. I may also point out that this point was raised in the time of my most distinguished predecessor, Sir Alexander Muddiman, and his ruling on that point was reported in 1922. So the debate on a certified Bill is not necessarily infructuous as contended by Mr. Sapru.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, does the Government accept the position put by you?

THE HONOURABLE THE PRESIDENT : It is not bound to accept. The Government may if it likes accept the suggestion. What my Honourable friend Mr. Sapru has been informing the Council is that it is a fiat and no useful purpose will be served by discussing this Bill. I want to correct his misapprehension.

THE HONOURABLE MR. P. N. SAPRU : Sir, I just pointed out that it is more than a recommended Bill. It is a certified Bill.

"Now, therefore, I, Freeman, Earl of Willingdon, in exercise of the power conferred by sub-section (1) of section 67B of the Government of India Act, do hereby certify that the passage of the said Bill is essential for the interests of British India."

The distinction that I draw between a certified Bill and a recommended Bill, with all respect, is this, that a certified Bill can only be passed by the Governor General in the form recommended by him. If he accepts any amendment made by this Council, then the Bill must first be withdrawn and a fresh Bill introduced in the other House. Sir, if I may just invite the attention of the Council to section 67B—

THE HONOURABLE THE PRESIDENT : That point does not arise at present.

THE HONOURABLE MR. P. N. SAPRU : My point is, that the Bill is a certified Bill, not merely a recommended Bill and therefore it cannot be changed. It is open to us under the Standing Orders to propose amendments, but those amendments cannot be accepted by Government without disturbing the certified character of the Bill.

THE HONOURABLE THE PRESIDENT : I am afraid you are again incorrect. Every recommended Bill has to be certified. When the Governor General thinks that a particular measure is required for the safety and tranquillity of India, he has first to certify the Bill under section 67B of the Government of India Act.

THE HONOURABLE MR. P. N. SAPRU : Sir, am I to understand that the Government are prepared to consider any suggestions or any amendments that we may have to make?

THE HONOURABLE THE PRESIDENT : The very fact that the debate takes place here means that the Government may consider, if they think proper, to do so.

THE HONOURABLE MR. P. N. SAPRU : I should like the Honourable the Finance Member to give a reply to this question. Is he prepared to consider any suggestions of a reasonable or moderate character in regard to the Bill?

THE HONOURABLE SIR JAMES GRIGG : The Honourable Member is in possession of the House. Will he finish his speech? It is better to consider after knowing what he has got to say about it.

THE HONOURABLE MR. P. N. SAPRU : I think it would facilitate matters if I got an answer now.

THE HONOURABLE SIR JAMES GRIGG : You are making a speech, not I.

THE HONOURABLE MR. P. N. SAPRU : Then I will go on.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : On a point of order, Sir. Is it not in the power of the Chair to ask the Government to give a definite reply to a particular question? Because, otherwise, if the Government do not accept the position which you have very kindly laid before the House, then it will be a sheer waste of time to proceed with the discussion of the Bill or the clauses.

THE HONOURABLE THE PRESIDENT: We must proceed according to the rules of procedure. I cannot compel the Government at an earlier stage to make any pronouncement.

THE HONOURABLE MR. P. N. SAPRU: Very well, Sir. I take it that the Honourable the Finance Member is not prepared to accept any amendments and I shall make my observations on the basis of that assumption. All that we can do, therefore, in the circumstances, is to dissociate ourselves from the measure, to refuse to share the responsibility for it and enter our protest against the procedure that has been adopted. Sir, in the circumstances which have arisen, the question of over-shadowing importance is this: Is the action taken by the Executive Government wise and proper? I will not use the word "constitutional" because that is a very difficult word to define. I will put it this way: Is the action taken by the Executive Government in the circumstances which have arisen wise and proper? Sir, I will frankly admit that the refusal to pass an essential measure, by the Legislature, particularly a measure relating to supplies, is a very serious matter and that an Executive which has got to carry on the King's Government cannot be blamed ordinarily if it refuses to accept amendments which would deprive it of the power to carry on the administration of the country. Government, it is quite clear, cannot function without supplies, and if a Legislature refuses supplies, it cripples the Executive. Now, Sir, what is the position in India? Here, the Executive is irremovable and irresponsible. It is strictly speaking neither a Parliamentary Executive nor a non-Parliamentary Executive. It is unique in its character. It is an Executive which is responsible to a person who is responsible to the Parliament and electorate of a country which is 6,000 miles away from the scene of its activity. The Executive here is a subordinate branch of His Majesty's Government. It has no individuality of its own, and it is in this difficulty that it has to discharge its responsibility to the Secretary of State and at the same time regulate its relations with a Legislature which has an elected majority. In the best of circumstances, a constitution like the present one, as my Honourable friend the Finance Member said in another place, is a very difficult constitution to work. The position under the present circumstances is difficult both for the Government and the Opposition, because the Opposition has to pass taxation measures and yet it has no control over the spending departments of the administration for which the taxation is necessary. Government on the other hand has normally to depend for its supplies and legislation upon it. Sir, a constitution like the present one can only work satisfactorily if there is the will to work it in a reasonable spirit on both sides. It takes two to work a constitution smoothly, and the question of paramount importance is whether the responsibility for the present deadlock rests with the Government or the Opposition, and I have no hesitation in saying that the responsibility for the present deadlock rests not with the Opposition but with the Government. What are the circumstances which have given rise to this deadlock? Let us examine those circumstances with some care. Sir, I would ask the House to examine the position from this point of view. Was certification necessary for the peace, order and interests of British India in the circumstances of the present case? What is the position? To start with, you have a surplus budget, and you have the surpluses of previous years also. This surplus budget should have enabled you to cover even the salary cuts if you want those cuts to be restored. The utilisation of a surplus for reduction of taxation is not an unknown practice. If you wanted to show a co-operative spirit with the Legislature, you could have utilised the surplus for the reduction of taxation. You have been having surpluses and that

shows that you have been under-estimating, that you have been over-cautious and conservative in your budgetary estimates. It is true that you propose to spend these surpluses on objects which the other House has agreed to and to which we are also agreeable. But the point is, it was not necessary, having regard to the considerable modifications made in the Finance Bill by the Legislature, for you to spend these surpluses on these objects suggested by you and approved by us. You could have utilised this surplus in reducing taxation, and if you had done that it would not have become necessary for you to certify the budget. That is my starting point. You could have balanced the budget by utilising this surplus for the reduction of taxation. Therefore it cannot be said that certification has been used here for the discharge of the Governor General's responsibility or for the interests of British India. Sir, there was another way in which you could have restored equilibrium in the budget. You could have balanced the budget by postponing the restoration of the salary cuts and by maintaining the salary cut at the original figure of 10 per cent. Indeed, the cut should not have been restored until the emergency taxation measures to which this House was a party in 1931 had also been done away with. In any case, assuming that it was necessary for you to certify part of the Bill, it was not necessary for you to certify the whole of the Finance Bill. There was another course open to you. You could have sent for Leaders of the various groups in the Legislature before certifying and asked them to indicate what in their opinion were the items that they regarded as essential. You could have taken the line that it was obviously not possible for you to accept all the amendments but you were prepared to meet them half-way. You could have said to them, "Will you gentlemen tell us which are the amendments which you consider most important. We shall be glad to co-operate with you in finding a way out". You could have done that and if that conference had succeeded you could have come to this House and moved amendments on the lines of that agreed solution and I am sure that this House would have supported you in seeing that those amendments were carried out. Before recommending and certifying there was another course open to you. You could have come to this House and said there are certain amendments made by the other House. We cannot agree to those amendments, we want you to help us in restoring the original position.

THE HONOURABLE THE PRESIDENT: Is there any precedent for such a course?

THE HONOURABLE MR. P. N. SAPRU: So far as the law is concerned I would submit that this House has the same rights over a money Bill as the lower House. There is no provision under the Government of India Act as far as I know which makes it obligatory for a money Bill to be introduced in the lower House only.

THE HONOURABLE THE PRESIDENT: But the provisions of the Government of India Act when a Bill is thrown out or mutilated in the other House are quite explicit and do not require explanation.

THE HONOURABLE MR. P. N. SAPRU: My point is this. I do not think I have made it quite clear. Suppose a Bill is thrown out or amended by the other House. It comes to this House and then it is open to the Government of the day to move amendments to that measure. Though I am a lawyer and I have great respect for precedents, yet I think, Sir, that statesmanship is something greater than precedent and we should not be absolutely

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precedent-ridden in these matters. Sir, what was the position? The Finance Bill had not been passed by the 1st of April by the first Chamber. There was an Ordinance in operation. You could have carried on the government and all that this procedure would have entailed was a little delay. Well, does it very much matter whether you have to stay five or ten days more in Delhi or five or ten days less in Simla? Where would have been the calamity if a procedure like this had been adopted by the Honourable Finance Member? If after this course had been adopted the Legislature had been obstructive, then you could have been in a much stronger position than you are in now. As it is I am not wrong in saying that you have shown extraordinary contempt for all shades of public opinion. You have treated all amendments alike, you have ignored all political parties equally, including the European Group in the other House. Sir, the issues raised by this action are of tremendous importance. You encourage by this a disbelief in constitutional action and Parliamentary methods of government. By the course that you have adopted you have done nothing to strengthen the hands of those who wish to approach their task in a constructive manner. Let me be quite frank about this. What is the defence that the Honourable Finance Member has put forward in the other House? It was a most amazing defence that he put forward, a most extraordinary statement that he made in the other House. What did he say? I am only trying to paraphrase him. He said:

"The Legislature has been obstructive, the Legislature has been unresponsive, the Legislature has been giving us endless trouble in the other House. Therefore, as the Legislature has been unresponsive and obstructive, we are going to be unresponsive, we are going to be obstructive."

I say, Sir, it is a most extraordinary statement for any responsible Finance Minister, for any responsible Minister of the Crown to make. For what did he say?

"We shall be unreasonable if you are unreasonable; we shall be unresponsive if you are unresponsive; we shall be obstructive if you are obstructive."

Does the Honourable Finance Member wish to encourage obstruction? Does he wish to encourage unresponsiveness? Is that the object of the Honourable Finance Member? Is that the object of His Majesty's Government here? Sir, I think an answer is due to us on that question, and I say with a full sense of responsibility that the statement of the Honourable Finance Member is a very dangerous statement from a constitutional point of view. It makes the task of those who have so far believed in constitutional action, who have so far believed in Parliamentary action, very difficult. For after all you are by making statements of that character encouraging the forces of lawlessness in the country. By these statements you are destroying faith in the utility of these Legislatures. Sir, a Government cannot afford to act in a petty and revengeful spirit. A Government in a country like this must act in a more generous and more magnanimous way and I say, Sir, that, assuming that the Legislature was unreasonable, you have not shown that you were reasonable. Really your position is this, you want to punish all the political parties in the country for the sins of a single political party. I am not saying that that political party was wrong. That is a matter of opinion. But if that political party has obstruction on its programme—and it has not got obstruction on its programme now—then there are other political parties which do not believe in obstruction for obstruction's sake and you are encouraging those other political parties also hereafter to believe in obstruction. Where is sense, where is justice, where is fairness in this line of conduct?

Sir, I now pass on to another consideration. I ask, has the Opposition been really irresponsible and unresponsive? Sir, you come to us with proposals which involve some increase in military expenditure, a question on which we hold very strong views. You come to us with proposals for the restoration of salary cuts at a time when the emergency taxation still more or less continues. You come to us with salaries restored and this restoration of salaries is leading to deficit budgets in several provinces. You expect us, who hold strong and definite convictions, convictions which we cannot put into effect as we have no chance of occupying the Treasury benches, to support you in these measures. Sir, I ask is it unreasonable for us to say that we cannot go thus far? Sir, I do not understand the word "co-operation" any more than I understand the word "non-co-operation". We come here in this House to discuss measures on their individual merits. If we find that a measure is in the interests of the country we support that measure; if we find that that measure is not in the interests of the country we refuse to support it. We cannot surrender our individual judgment; we cannot surrender our individual conscience, and, Sir, if co-operation in the dictionary of the Government means surrender of individual judgment, then I have no hesitation in saying that I am a non-co-operator, and everyone of us is a non-co-operator in that sense. However, it takes two to co-operate. I have shown that you are not co-operating with us so far as the financial sphere is concerned. What is your record in regard to other than the financial sphere?

You are, Sir, forcing a constitution on this country for which the country has no use, for which no organised political party in this country has any use. You will not modify that constitution in the direction that we desire; you will not give us the Legislature which we desire; you will give us a Legislature indirectly elected at the centre and you expect us to support you when you are depriving millions of people who enjoy the right of vote of this right in future. That is the constitution, Sir, that you are giving. If we say that we do not regard it as a clean constitution, then you say that we are unresponsive, we are non-co-operating, we are obstructive. Well, Sir, it is a very difficult position for us to be in in all conscience. We have after all primarily to look to the interests of the country in which we live and if we think that we are not getting a clean deal I think it is essential for us to be straightforward and plain and outspoken.

THE HONOURABLE THE PRESIDENT: You have sufficiently dilated on that point. Will you now proceed with your next point?

THE HONOURABLE MR. P. N. SAPRŪ: Then I come to another point. Take your army policy. You are not prepared to reduce the number of British troops in this country. You are not prepared to reduce expenditure on the army. You are not prepared to speed up Indianisation and if we press these proposals, if we express dissatisfaction with your army policy, then you say that we are obstructive. I am just mentioning the items on which there is difference of opinion in order to show that obstruction is not on our side, that lack of co-operation is not on our side, and that lack of responsiveness is not on our side. It is on your side, not on our side, that there is lack of co-operation. Sir, you link the rupee to the pound and you will not listen to us when we say that we need a change in the currency policy, that what the masses want is increased purchasing power and that they will not have this increased purchasing power so long as the ratio remains fixed to the sterling. You ignore Indian commercial opinion altogether and yet you expect this House to swallow the bitter pill that you are giving it. Sir, you

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force a treaty, an Indo-British treaty, on India without any reference to Indian commercial opinion. You say that that treaty makes no change in the existing position. Your supporters in England, the people who, I believe, understand, their interests just as well as you do, say that it makes the position better for them. I am referring to the statement made by Mr. Clare-Lees. You say as it makes no change in the existing position it was not necessary for you to consult commercial opinion, though it was necessary for you to consult British commercial opinion at every stage of the negotiations. After doing this, you disregard the vote of the Legislature and then you expect that Legislature to be responsive, you expect that Legislature to be co-operative and you expect people who hold strong political conviction to be responsive, to be co-operative with you. Sir, it would be a strange phenomenon indeed if you could have real co-operation under those circumstances. Sir,—

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Is the Honourable Member addressing the Chair or is he addressing the Government direct ?

THE HONOURABLE MR. P. N. SAPRÚ : I am addressing the House, Sir. I am using the word you, which has an impersonal meaning. You continue your attack on labour organisations even of a moderate character and you make even moderate and honest labour work difficult and you expect labour to be grateful for this. Sir, after following a policy like this, do you wonder that Indians are not supporting you ? You look upon Indians either as superhuman or sub-human. I think they are human. And lastly, when we talk of planned effort at industrial development, of an ordered economic development, you dismiss us as irresponsible left wing theorists who do not understand what they are talking about. I will not use a stronger word for which I have as much horror as the Honourable Finance Member, the stronger word that he used with reference to a certain political organisation, or the leader of that political organisation in another place.

Sir, that brings me to the question of planned economy for India.

THE HONOURABLE THE PRESIDENT : Order, order. I have been waiting for some time to see whether the Honourable Member would approach the question of the Finance Bill. He has spoken now for over 30 minutes and has not yet touched at all on the financial aspects of the Bill. Since I have held this office I have allowed considerable latitude to Honourable Members on budget day and also on the occasion when the fiscal Bill is brought up to the House, to talk on and discuss other subjects. But that latitude must have its limitations. If I strictly follow the ruling of my predecessor in office, I would not allow on the occasion when the Fiscal Bill is debated, other questions to be gone into. I will first draw the attention of Honourable Members to my predecessor's ruling reported in Volume V of our proceedings. On that occasion the Honourable Mr. Ramadas Pantulu went into the question of the reforms and many other considerations and my predecessor said :

"I am afraid I cannot allow the Honourable Member on the Motion now before the House to enter on a general discussion of reforms in India or of the general policy of the Government of India. The Honourable Member will be perfectly in order on the Motion for consideration of the Finance Bill in attacking the financial policy of the Government of India. Beyond that I am afraid I shall not be able to allow him to go".

Then the Government Member replied, the Honourable Sir Narasimha Sarma, and he also transgressed the rule and wanted to discuss other matters. On that occasion, my distinguished predecessor said :

"I was waiting to see whether the Honourable the Leader of the House said anything to defend specific actions of the Government of India in detail, and I should have felt obliged in that case to ask him to confine himself to the general aspect. As the Honourable Member has pointed out, I did not allow him to make specific attacks on the policy of the Government of India except in so far as he might deal with aspects of the financial policy of the Government of India. I would ask the Honourable the Leader of the House to follow the same line that I induced the Honourable Mr. Ramadas to follow".

I may say that I do not wish strictly to follow this precedent and as I have hitherto allowed considerable latitude to Honourable Members, I shall continue to do so, and I hope that Honourable Members will not compel me to alter my position and rule that I shall in future not allow other aspects of the case to be discussed. I would request the Honourable Member to keep within reasonable limits and confine himself to the discussion of the Bill as far as possible. I have no objection to his attacking the financial policy of the Government but to go into other irrelevant questions is obviously both needless and improper.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : May I ask, Sir, if planned economy is not part and parcel of the financial policy of the Government ?

THE HONOURABLE THE PRESIDENT : No. You can bring that aspect of the question by a Resolution before this Council. Non-official Members had ample opportunities of discussing those questions in the past. In fact, the planned economic question to a certain extent was discussed in this House when other Resolutions were discussed and I hope therefore Honourable Members will co-operate with me in saving time and help me so that I may not strictly limit Honourable Members to the Bill before the Council.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, the observations which you have just made, if they are in the nature of a ruling, then I would request you kindly to put it more definitely and clearly ; for as you know, Sir, when a man is speaking he really feels very much upset when suddenly against all expectations the Chair pulls him up. If it is in the nature of advice, then, Sir, I would only submit that we must go by the ruling which was given by Sir Frederick Whyte and which has been continuously followed by all the Presidents so far. The main principle is, Sir, the redressing of grievances before supplies. If you are going to rule that we should only talk about finance and we should not bring forward any grievances which we would like to be redressed before we vote supplies, I would like a clear ruling on this point.

THE HONOURABLE THE PRESIDENT : I have already at the initial stage stated that I have allowed considerable latitude to Honourable Members to refer in the past to other grievances and even today I allowed 35 minutes to the Honourable Mr. Saprú to refer to general matters. But I do not feel inclined to give a ruling, unless Honourable Members compel me to give a ruling. I want to give every opportunity, if Honourable Members are

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reasonable, to allow them some discretion to talk about other matters when discussing the Finance Bill, but if I am compelled I shall follow the ruling of my predecessor and altogether prevent the discussion of these other subjects.

The Honourable Member has referred to Sir Frederick Whyte's ruling. I am perfectly aware of that ruling and I will quote that ruling. I will even say that what he wanted to do was exactly what I am striving to do. He wanted to avoid a ruling as far as possible that no subject other than the Finance Bill should be discussed and that was his view. You have misunderstood his ruling. I will read to you his statement which is dated the 22nd March, 1922 :

" I have refused so far to give a ruling on this subject as I did not wish to bind the Assembly and myself down too closely to an observance of the mere letter of the Standing Orders. It is a well recognised Parliamentary procedure that on a Finance Bill general discussion may arise. If, as I pointed out before, I were to maintain the point which Dr. Gour has put to me now, it would not be in my power to give the Assembly liberty to range over the public administration of India under the Finance Bill, which I hold it is in the power of this House to do at present ".

He was exactly following what I have been trying to do for the last three years, and I would therefore request Honourable Members to co-operate with me in this matter and not to go into needless other subjects which could be brought before this House by way of Resolutions.

THE HONOURABLE MR. P. N. SAPRU : Sir, may I just very respectfully point out that the question of planned economy has a bearing on the Finance Bill.

THE HONOURABLE THE PRESIDENT : Well, as you assure me that is the case I will try to follow you. You can address the House on the point. I will see if it does affect the financial question.

THE HONOURABLE MR. P. N. SAPRU : Sir, the Honourable the Finance Member stated, I think in the statement which was placed before us in connection with the budget that he was not an imaginative financier and I was going to suggest to him that I did not want him to be an imaginative financier but I wanted him to be a financier with some imagination, and it was for that reason, Sir, that I was going to make some reference to the doctrines for which he stands—the doctrine of absolute *laissez faire*. If a different policy is pursued, it would be possible for you to have a better financial equilibrium in this country, and it is from that point of view that I was going to approach the budget and attack the Finance Member. Perhaps I did not make my position clear in the first instance. Now, Sir, there is need for organised effort on the part both of the people and the Government so far as the economic development of this country is concerned. The most painful fact about this country is that the great mass of its people live in a state of absolute semi-starvation. Our population is increasing but reduction is not increasing correspondingly with our population. Our average income per head is only about Rs. 82. The corresponding figures for other countries are, Japan 271, Germany 634, France 636, United Kingdom 1,092, Canada 1,268 and the United States of America 2,053 per head. That is to say, the average income in the United States is 13 times that of India. This is an old estimate. I have taken these figures from a book by Sir M. Visvesvaraya on *Planned Economy for India*. The Honourable the Finance Member knows a very

great deal more about finance and economics than we on this side do. He can spend his leisure time usefully if he would go through some of the suggestions which Sir M. Visvesvaraya has made in this book. He is not communistically inclined. He does not want the development of India on communistic lines. None of us want India to develop on communistic lines—not at any rate any one in this House. But it is possible to be a believer in planned economy. I would say that his predecessor, Sir Basil Blackett, was a believer in planned economy. In a small book called *The World's Economic Crisis*, he will find an article by Sir Basil Blackett and there is a reply to it also in that book by Sir Josiah Stamp. What I was saying is that there is need for planned effort on the part of both the people and the Government so far as this country is concerned. We wish to develop our export trade. We wish to have trade agreements with other countries. We wish to have a rates policy which is in accordance with the wishes of our commercial people. We wish to have better marketing facilities provided by the State. We wish a rapid development of communications and we want organising skill and expert knowledge of the State to be available to our agriculturists and industrialists. There is much that the State can do by way of scientific research and scientific development in regard to these matters. There is nothing communistic, there is nothing even socialistic about proposals of this character. When we tell you that the chief cause of the present poverty and backwardness of the country is illiteracy, is there anything in that which any one ought to regard as extreme left wingist ? Therefore, I say, that the low income of the whole country is due to the absence of an active State policy and we want an active State policy in regard to these matters. The first necessity for all this is that there should be a proper collection of statistics in regard to the economic condition of the country. Professor Bowley and Mr. Robertson were sent for by the Government, and they made these observations :

" The statistics of India have largely originated as a bye-product of administrative activities such as the collection of land revenue or from the need of information relating to emergencies such as famines. As a result, the statistics are unco-ordinated and issued in various forms by separate departments. The only co-ordinated general publication is the Statistical Abstract which omits some important statistics, which must be searched for in other documents ".

Sir, I would say that it is not enough for a Government to give us a balanced budget. It is not enough for a Government to maintain the credit of India, whatever that expression might mean. The question that a Government has to answer is, is the condition of the people as reflected in the country better ? Sir, turning the corner in our case means very little. That turning the corner may benefit a few people. Even in days of prosperity people here have to eke out a pretty miserable existence. Therefore, I urge that there is need for approaching the problem from a fundamentally radical—I am not using that word in any party sense ; I am using that word in its literal sense—from a fundamentally radical point of view. Sir, what do we mean by planned effort ? I will explain by just reading out from Sir M. Visvesvaraya's book :

" It is proposed under the Plan to bring all economic problems of India into one conspectus ; to prepare an analyses of Indian conditions and examine how they stand in relation to foreign countries ; to concentrate attention on increasing production and the use of modern tools and machinery ; to obtain for this work all the guidance that can be had from foreign experience ; to mobilize the country's resources in men and money to give effect to the plan ; to review progress periodically and maintain a record from year to year. Such, in brief, are the objects of the plan. The Indian plan should avoid *communistic* tendencies ; its basic policy should be to encourage collective effort without interfering with individual initiative. The developments should be more on the lines followed in the United States of America and in Turkey ".

[Mr. P. N. Saprū.]

Therefore, Sir, it is no use, in this age of national socialism, of planned efforts on the part of other countries, of protective tariffs and import duties and all the paraphernalia of protection which has been developed by modern countries, ours being advocates of extreme *laissez faire*. It is necessary for any planned economic advance to have a trained organisation for the analyses and interpretation of economic facts. Therefore, there should be an effort to collect statistics in regard to these matters, because statistics are the basis of any solid structure of planned economy.

The second essential, from my point of view, is to have an organisation which would act as a thinking centre, a centre which can mould the thought and guide the future. I would therefore suggest that there should be a Central Economic Council representative of all interests and definitely subordinate to the political Parliament, to work out schemes of economic development from time to time. These are two suggestions which can be put into effect without disturbing the present position. Sir, it is not irresponsible to suggest that for this kind of economic development, for capital expenditure on productive works, you ought to borrow money at the present time. Money in these days is cheap and you can borrow as much as you want. I am not going into figures. I am not suggesting Rs. 100 crores or Rs. 50 or Rs. 20 crores. (An Honourable Member : "Sir M. Visvesvaraya suggested Rs. 500 crores.") Well, Sir, I have great respect for Sir M. Visvesvaraya, and if he has suggested that he must have given thought to it. But I am not bold enough to suggest any definite figure. All I say is that you can borrow money in the market today fairly cheaply and you can use that money for productive purposes.

THE HONOURABLE THE PRESIDENT : Can you borrow Rs. 500 crores in the Indian market ?

THE HONOURABLE MR. P. N. SAPRŪ : I do not suggest Rs. 500 crores. The suggestion is Sir M. Visvesvaraya's and all that I say is that he must have given thought to the matter. I am not prepared to assume that Sir M. Visvesvaraya is necessarily wrong and the Honourable Sir James Grigg is necessarily right. I say that there should be a development loan raised for productive purposes in this country. There is a great deal of work to be done, roads have to be built, slums which are a blot on our civilization have to be cleared, drainage systems have to be improved. There is a great deal of work that can be done. Therefore I would suggest that Government should seriously apply its mind to this, if it wants the co-operation of thinking India, of intelligent India, not of the India which considers it a sacred duty to support it whether it is right or wrong. But if Government wants thinking India to support them they should work along these lines and show that they are capable of adapting themselves to the changing needs of a dynamic world. Sir, this country needs a new deal, just as much as any other country. We want a better social order just as much as any other country. We want more justice in the economic sphere. We want the ordinary man, the ordinary cultivator, the tiller of the soil, to have the chance of living a useful and healthy existence. I say that there is something fundamentally wrong with a State in which a single individual, able and willing to work, finds it difficult to find employment. Sir, the question is not merely economic. It is fundamentally an ethical question.

Then, Sir, I come to the individual criticisms on the Finance Bill. There is first of all the question of the salt tax. The salt tax has a long history behind it. The late Mr. Gokhale always objected to it. He made many strenuous efforts to have it reduced and it was finally reduced. Sir, it falls on the poor. Salt is an article of universal consumption and I think that, having regard to the enormous poverty of the country and having regard to the fact that salt is essential for the cultivator's cattle, there is a case for the reduction of the salt duty. I think the Legislature was not very unreasonable when it suggested, not total abolition—that may be our eventual goal and objective—but immediately a reduction by eight annas of the duty. Twelve annas was the figure suggested. You could have come forward with a suggestion that the reduction should be to Re 1. But you never came forward even with a suggestion of that character.

Then, Sir, there is the case of the income-tax payer with an income between Rs. 1,000 and Rs. 2,000. The lot of the poor income-tax payer is very hard these days. The lower income-tax payers in this country have a large number of dependants. You know, Sir, what the joint Hindu family system means, and this tax does act harshly on these poor income-tax payers. I think they ought to be exempted from this tax. The exemption limit ought to be Rs. 2,000 and not Rs. 1,000 as at present.

Then there is the question of the reduction of postal rates. We want the villages to be opened up. We want some more cheerfulness in the life of the villager, and if you keep the postage on postcards at three pice you make it very difficult for him to occasionally correspond with his people. One pice may not have any value for us, but for men who have to eke out a miserable existence, who are not making even Rs. 6 or Rs. 7 a month, one pice has a very great deal of value. Then there are the commercial firms who are also affected by these postal rates. It was not unreasonable on the part of the Legislature to press these amendments and I would suggest to the Honourable Finance Member to be more imaginative and to show a spirit of responsiveness towards this House which he was not prepared to show towards the other House. If he is prepared to accept these suggestions he will be showing that there is some imagination, that there is some statesmanship, in the Government of which he is a Member. If, on the other hand, he cannot accept these suggestions, then he must not blame us for thinking that Government have got no regard for public opinion, that they delight in flouting public opinion and that the only way of making ourselves felt is by making ourselves a nuisance.

Well, Sir, I am very sorry to have taken so much of the time of the House. The issues raised by the Finance Bill are of tremendous importance. The actual financial proposals may be sound or they may not be sound, but they have been put in a form, a procedure has been adopted in regard to them, which makes it incumbent on us as men who have got some very definite and strong convictions to record our protest. I shall consider it therefore my duty to vote against this measure both at the consideration stage and at all subsequent stages.

Sir, with these words, I oppose the Motion that the Finance Bill be taken into consideration. (Applause.)

THE HONOURABLE SIR NRIPENDRA SIRCAR (Law Member) : Sir, if I take part in this debate and that at a very early stage, it is because I want to disabuse this House of the impression which may have been created by the speech of my Honourable friend Mr. Saprū that by following the procedure

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which we have done what was intended was a slight on this House. I want to assure this House that it was farthest from our thoughts. But to explain the situation, I may be permitted to remind this House of the previous occasions when this question had cropped up both before the Legislative Assembly and this House. Sir, without trying to be exhaustive, I will give you possibly all the relevant occasions which have any bearing on the situation which arose a few days ago. The Finance Bill of 1923 was introduced. Then during the stage of detailed consideration clause by clause, certain adverse amendments were passed by the Assembly. No recommendation was made at that stage and the Bill was sent to the Council of State. Amendments were suggested before this House and the amended Bill was passed. The amended Bill as passed by the Council of State then had to be returned as required by the rules to the Assembly with a recommendation to pass it in the form in which it had been accepted by this House. The result was that that was not accepted. It was again rejected as the Assembly declined to accept the recommendation and the Bill was certified. That was a different procedure.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: In what year was it, Sir?

THE HONOURABLE SIR NRIPENDRA SIRCAR: It was the Finance Bill of 1923.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I remind the Honourable Member that there was a time when the recommendation was accepted by the Assembly and it was adopted by the Government?

THE HONOURABLE MR. P. C. D. CHARI: In 1927.

THE HONOURABLE SIR NRIPENDRA SIRCAR: It is rather a jump from 1923 to 1927 and 1929, and if my Honourable friend will have a little patience he will see he need not have reminded me, because I have not forgotten the matter.

Now, Sir, that is the other procedure and the grievance of my Honourable friend Mr. Sapru must be that we have not followed the other procedure, that is to say, allow the Bill to leave the Assembly in the form in which we knew it would not be acceptable to Government, then come up before this House, have the recommendation made and go back again with that to the Assembly. I ought to remind this House as to what happened in 1923. A very strong protest was made by the Opposition and the Opposition included very eminent men, some of whom were profound lawyers, and the point taken by them, which was very clearly stated in a petition which was sent up to His Excellency the Viceroy, was that the Government has no right to make any recommendations after the passage of the Bill so far as the lower House was concerned had been finished. They said if you want to have any recommendations, you must do it before the final stage so far as the lower House was concerned. It is quite true, Sir, that we refused to accept that interpretation of the law; it is quite true, and we if necessary shall again maintain that that interpretation was not right; but I am simply reminding the House that the point was very severely pressed that the proper course—apart from the legality of the thing—was to have the recommendation before the Bill left the House. That was what happened in 1923, Sir.

Then we come to the Finance Bill of 1924. There are really five or six incidents which are relevant. The Motion for consideration of the Bill when it was moved in the other place was rejected, a recommendation was made by the Governor General and on his recommendation an attempt was made to reintroduce the Bill in the House. That Motion was again rejected. Then the Bill was certified and the certified Bill came to this House. That is what happened in 1924. I am not making any comments, but giving facts to this House.

Then, Sir, we come to 1925 when the Bengal Criminal Law Amendment Act of 1925 was being discussed in the House. Here again during the consideration of the Bill clause by clause three of the clauses were struck out. In fact what was left was only the preamble. The result was nothing of substance was left of the Bill. At this stage the Governor General recommended that the Bill should be passed in its original form. I want this House to kindly note these facts, that here again the Bill was recommended by the Governor General before it had come up to this House. The amendments were rejected and the Bill had to be certified as one would expect.

Then, Sir, I am not referring to 1929 because in that case (although that is a case in point, namely, the Bill was recommended before it came to this House), because that was the only occasion when a Bill after it was sent back in the recommended form to the Assembly, it accepted the recommendation and so there was an end of the trouble.

But there are two more instances. First of all the Finance Bill of 1931. There again during the consideration of the clauses some of the amendments which had been made were unacceptable to the Government. What happened there again was that the Governor General made his recommendations. They were later on rejected and the Governor General had to certify the Bill. The situation arose again in 1931, in the very same year in connection with what was called the Supplementary Finance Bill of 1931. Here again adverse amendments were introduced by the lower House during the passage of the Bill and recommendations were made by the Governor General and I believe they were again rejected, when the Governor General had to certify.

Now, Sir, in the debates of 1929 I remember when there were very elaborate discussions about the construction of the different sections and the different Legislative Rules relating to procedure and so on, Sir George Schuster dealt at some length with this question and he said that the only honest course was to follow what he had done, namely, before the Bill left the House the recommendation should be made and that the House should be given a chance of reconsidering and accepting or refusing as it chose the recommendations made by the Governor General.

Therefore, Sir, to put it shortly, since the point was raised in 1923 that we have no power whatsoever to introduce recommendations after the Bill had left the lower House—a position which as I have said we do not accept—since that on every occasion this course has been followed and I submit to this House that this is the only proper course to follow. I ask Honourable Members to consider another aspect of the thing. As I understand, my Honourable friend Mr. Sapru was not attacking so much the legality of the thing as its propriety. He did not raise any point of order that this course cannot be followed, but his point was that it was improper to follow this course, and if I accept that argument, then what we should have done, talking of the present occasion, was this. We ought to have introduced no recommendations before the lower House, but allow that Bill which we knew perfectly well was not going to be accepted by Government, allow that Bill in that

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unacceptable form to pass out of the Assembly, come up here and have certain amendments and then go back, Sir, again to the Assembly, knowing perfectly well what the result was going to be. My own humble view is that if we had followed that course (apart from the fact that we have not followed that course on any previous occasions barring 1923)——

THE HONOURABLE MR. P. C. D. CHARI: It was followed in 1923.

THE HONOURABLE SIR NRIPENDRA SIRCAR: I said, Sir, barring 1923. If Honourable Members would not be so impatient, probably interruptions would not be necessary.

Now, Sir, if we had not followed the course that we have done, the result would have been further waste of time, further acerbation of feeling; and that is, Sir, all that we would have gained by following a course which would have been a departure from the course which we have been following since 1923, and we would probably have been open to the charge in the other place that

“You are now departing from your practice which you have followed on half a dozen previous occasions, the sinister motive being that you want to flout this House”.

The complaint would have been that they had no chance of accepting the recommendation before it had come back from this House. So that I am quite sure, Sir, that the House will agree we are to give a simile which may not be appropriate, between the devil and the deep sea. (*An Honourable Member*: “Who is the devil and who is the deep sea?”) That is for you to choose!

Now, Sir, I would ask Honourable gentlemen again to look at it from another point of view which I say is not a point of law but a point of practical commonsense. Either this House will after the deliberations be prepared to accept the recommendations which have been made by the Governor General or they may find themselves unable to accept them. Now, in the first case, that is to say if this House is able to accept the recommendations, then surely nothing has been lost, no harm has been done. If, on the other hand, they are unable to accept these recommendations, I would ask Honourable Members to say what would have been gained by this House, if we had adopted the procedure followed in 1923. What would the Government, or anybody, have gained by adopting the other procedure, namely, bring the Bill here, get it rejected here (we had already the rejection of the lower House), and then go back to the other House and ask them to accept it. Sir, I want this House to accept my assurance that we had no idea and that nothing was further from our thoughts when we adopted this course than to do something which would be construed as a slight on this House.

Sir, as regards the financial problems, there are others more competent to speak and I do not desire to take up the time of this House. Only one matter, Sir, I would like to touch. My Honourable friend, Mr. Sapru, has taken a considerable time in discussing the reasonableness of the Opposition and the unreasonableness of the Honourable Finance Member in not co-operating on account of political reasons. May I ask him to consider only one aspect? I do not think my Honourable friend the Finance Member has ever said that he refused to accept the decisions of the other place because they came from obstructionists. I think he made it perfectly clear that he was not accepting the decisions because they were unacceptable on the merits of the case. On the question of co-operation, I would ask my Honourable friend Mr. Sapru to remember that this is not the proper place nor would

it be right to make adverse criticisms on the conduct of another House on the floor of this. That I think would be improper—but I would ask him to remember, when he was reminding us that there was co-operation, to read carefully the few lines of a short speech delivered by the Leader of the Opposition in the other place, in connection with the demand for celebration of the Silver Jubilee. Sir, the purport of the speech is that as British rule has been injurious to this country, therefore his party will not do anything which in any way may help that rule. Now, Sir, that rule is represented by the Government of India. Sir, I want my Honourable friend to consider this aspect of the matter. If any section of the House—I am saying this for the sake of argument—if any section of the House, not to speak of the largest section of the House, were to be actuated by the dominating motive that “We are not going to do anything which will help the present Government to administer the country”, would you not expect, Sir, that their sole desire at all times will be to create situations where the Government will be compelled to certify, compelled to have recourse to emergency powers, so that they can go to the country and say: “We have exposed the naked autocracy of the Government: See how this Government is flouting our decisions”.

(Applause.)

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Sir, I want to ask one question of the Honourable the Law Member. What does he think of the desirability of having a joint session of the two Houses on such occasions?

THE HONOURABLE SIR NRIPENDRA SIRCAR: The question has not arisen and as a matter of fact I have enough to do without applying my mind to situations which do not and may not arise.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay; Non-Muhammadan): Sir, in the somewhat peculiar circumstances under which the Finance Bill is being introduced in this House for discussion, I recognise with keen disappointment and regret that there is no possibility of any proposals from this side of the House being accepted by the Government. Sir, every section of the community in the country has protested in the strongest terms against the certification of the whole of the Finance Bill and the rejection of all the proposals for reduction in taxation, some of which had the support of even the European Group in the other House. I am afraid, Sir, I cannot congratulate the Honourable the Finance Member on this most unfortunate beginning of his career. Certification of a Finance Bill, Sir, is a step which should never be taken until the Government has exhausted all other means of convincing the people's representatives, that its taxation proposals are absolutely necessary for its purposes. I understand, Sir, that on a previous occasion, during Lord Reading's Viceroyalty, informal discussions were held and non-official leaders were taken into confidence with a view to see whether any compromise were possible. I warn the Honourable the Finance Member that this policy, Sir, of holding all of us at arm's length augurs no good at all for the Government. I sincerely trust for the sake of goodwill and peace that there will be some indication of a spirit of accommodation in the future; and it is in this hope, Sir, that I venture to make some observations on the Bill before us.

Sir, a great deal has been said about the necessity of balancing the budget of the Government of India. I, as a businessman, fully recognise that necessity. But I would ask the Honourable the Finance Member not only to

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look at the budget which he has presented, but also to examine the budgets of the various provincial Governments. Sir, I want to ask him whether it can really be a matter of satisfaction to him to balance his budget only by compelling the provinces to increase their taxation and to cut down their expenditure on nation-building departments to the barest minimum. It is all very well, Sir, to put forward a balanced budget for the Government of India. But the question is, does it reflect truly the conditions both of the provincial Governments and of the taxpayers? I say, Sir, the budgets of millions of taxpayers have been thrown out of balance and several provincial Governments can make both ends meet only with the greatest difficulty. These, Sir, cannot be secure foundations for a so-called balanced budget of the Government of India.

Sir, let me for an instance turn to my own province of Bombay. As was acknowledged by Sir George Schuster in his speech last year, our annual revenues have dropped by about Rs. 2 crores during the last fourteen years, which is a very big sum for a provincial Government; this, Sir, is in spite of the fact that we have had to resort to extra taxation by means of motor fees, electricity duty, tobacco duty, increase in court fees and stamps, betting tax, entertainment tax and other devices. I know, Sir, that His Excellency Lord Brabourne and his Finance Member in Bombay are ceaselessly vigilant in cutting down expenditure in every possible way. Drastic economies have been introduced but even then it is a desperate struggle for the Government and the people. Hospital accommodation in Bombay has, as everyone knows, been seriously curtailed. But, Sir, such is our condition that the Government is not able to meet even our essential requirements in regard to medical relief and education. I want to assure this House that I am not actuated by a provincial outlook, though as one of Bombay's representatives I must point out that the actual rate of taxation per head is 6·4 rupees in Bombay, while in the Punjab it is 4·6, in Madras 3·5, in the Central Provinces 3, in the United Provinces 2·4, in Bengal 1·8 and in Bihar and Orissa 1·3.*

Sir, this is a matter which needs very deep consideration. Recently, on the floor of this House, the Honourable the Finance Secretary announced the appointment of a Committee of Experts to investigate the problems of the resources of the various provinces. I sincerely trust that this Committee will not do Bombay another injustice of the kind perpetrated by the Meston Committee. I hope also that it will not be misled by the apparent inability of some other provinces to balance their budgets. Sir, I do not wish to be misunderstood in regard to this matter; but what I do ask for is justice as between the various provinces. I also ask the Government of India to reduce its demand on the pockets of the taxpayer so that the new constitution may begin to function in the provinces without the dark clouds of financial insecurity gathering on the horizon.

Sir, at this stage of the discussion of the Finance Bill, no practical purpose will be served by going into any detailed consideration of the various proposals carried by the other House but rejected by the Government. Speaking for myself and, I am sure, for the entire business community in India, the amendments of the postal rates such as the reduction of the price of the postcard to half an anna and of letters up to the weight of one tola to one anna would have met with such deep and widespread approval as to justify some risk being taken

* These figures were quoted by Sir Cowasji Jehangir in his speech last year and accepted by Sir George Schuster.

by the Postal Department. I also hold strongly that a loss of Rs. 50 lakhs in income-tax, which would have resulted from raising the level of exemption from Rs. 1,000 to Rs. 2,000 a year, would have been welcomed all over the country as an indication that the new Finance Member recognises the level of taxation in this country to be unduly high. I must also express my deep disappointment that the surcharges on income-tax and super-tax were not completely removed this year. Sir, I maintain that the Honourable the Finance Member had no right to give complete relief to the public services at the expense of income-tax and super-tax assesses.

It is most unfortunate, Sir, that all these reasonable and modest suggestions have proved unacceptable to the Government. The Postal Department, in my opinion, should not be looked upon merely as a commercial department. It is a vital necessity in India for the general awakening of the people. I am glad, Sir, that the Member in charge of Posts and Telegraphs has recently announced that efforts would be made to revive post offices in the rural areas which were closed down in recent years as a measure of economy. I sincerely trust that this policy of extending postal facilities in the rural areas will be continued in the future.

Sir, at this stage of our discussions, I should not detain the House for long statistics and figures to show that the burden of taxation is far too heavy for the taxpayer. Prices according to the latest review of the trade of India available, have shown an average fall of 47 per cent. in regard to our principal agricultural crops as compared with the prices of 1928-29. There has also been a considerable shrinkage in the purchasing power of the masses. How far, may I ask, has the Government made sincere and whole-hearted attempts to cut down its expenditure in proportion to the lowered capacity of the people to meet the demands of taxation? Far from taxation being reduced, we have had heavy extra taxation since 1928-29. In 1930-31 the additional taxation levied was between Rs. 11 and 12 crores. In the two following years there was extra taxation of over Rs. 22 crores. Then, Sir, we have had surcharges of 25 per cent. added on as an emergency measure. Only this year there has been no new taxation proposed and only a very slight and in our opinion utterly inadequate reduction. Is it not a fact that while businessmen and private persons have had to cut down their expenditure because of lowered incomes, the only exception is the Government. Is it fair to contend, Sir, that the emergency has passed only so far as the Government and the public services are concerned, but not for the people of this land?

Sir, how utterly unsatisfactory is the position from the people's standpoint is clear from a brief reference to the analysis of our tax revenue. As a general proposition it may be stated without fear of contradiction that while our rates of taxation have gone up, the amounts collected have gone down, and at the same time the cost of collection has risen out of all proportion thus proving, Sir, conclusively, that far greater efforts have to be made than before to collect taxes, and even then the results are not what they used to be. Let me just take two or three instances. A customs revenue of Rs. 51·28 crores in 1929-30 cost Rs. 97 lakhs for collection, but this year a revenue of Rs. 51·84 crores costs Rs. 115 lakhs. In regard to income-tax the contrast is even more glaring. In 1921-22 to collect Rs. 21·89 crores it cost the Government only Rs. 22 lakhs, while this year to collect Rs. 16·40 crores (over Rs. 5 crores less than the previous figure) it will cost the Government no less than Rs. 92 lakhs, or about 4½ times the previous figure. In regard to excise also, while the collection of Rs. 54 lakhs in 1921-22 cost the Government only Rs. 3 lakhs, this year it will spend Rs. 16 lakhs to collect only Rs. 40 lakhs.

[Mr. Shantidas Askuran.]

And now, Sir, I want to make a brief reference to the policy of selling silver pursued by the Government of India. I have put down a question on this subject, and until I get an answer, I do not wish to dogmatise. But, Sir, can the Government deny that while it purchased silver in recent years at a very high price, it commenced selling it when prices had reached the bottom, although at that very juncture America started buying silver and there was every reason for anticipating a rise in the price of silver. I do not know, Sir, what the total loss of this transaction will be, but venture to estimate it at several crores of rupees so far. Conditions in Europe are unsettled, and the Honourable the Finance Member recently referred to this factor as justifying a cautionary estimate of revenue. May I ask, Sir, whether this very consideration should not be extended also to his policy of selling silver? The Finance Member seems to have ignored the experience of his predecessors in this respect. Is he sure that externally also with the improvement in trade conditions and a possible rise in commodity prices, there may not be a demand for more silver rupees? Can the Finance Department be sure that the need will not arise in the future when the Government of India will have to re-purchase silver, possibly at greatly enhanced rates? I shall say no more on this point today.

The Honourable the Finance Member has given clear indications that he regards the present revenue tariff wall as undoubtedly high from the standpoint of the consumer and proposes to commence investigation as soon as his pre-occupations with the present budget are over. Sir, I want to warn him that this is not merely a departmental matter. Behind that tariff wall, raised though it may have been from revenue considerations, there have grown a number of comparatively small, but important industries. Before, Sir, any decisions are taken in regard to alteration of the tariffs prevalent at present, I would appeal to the Honourable the Finance Member to give adequate opportunities to the Indian business community to make its representations, so that its interests may not suffer. I must confess in this connection that I was rather alarmed by the misleading statement he recently made in regard to the sugar and textile industries that, while only Rs. 7 crores went to the Government of India, Rs. 27 crores have gone into the pockets of the industrialists. Sir, so far as the textile industry is concerned, let not the Honourable the Finance Member forget that this industry is not only responsible for the consumption of more than half the cotton crop of the country but has been the means of employment of hundreds of thousands of poor workers. Sir, does he know how many mills have been closed down and how many even sold as scrap, because they could not survive the depression in the industry? Sir, has he any conception of the number of mills which have not paid dividends, either on their preference shares or on their ordinary shares, for a number of years? What is the good, Sir, of making these sweeping statements and creating the impression that the industrialist in this country is exploiting the consumer? Sir, if the Honourable the Finance Member has any doubts in this matter, I would suggest a close scrutiny of the balance sheets of all the mills in British India, so that he may appreciate the critical position in which the textile industry finds itself. Sir, he is labouring under a great illusion if he thinks that the industrialist in India is fattening at the expense of the consumer.

Let me pass on, Sir, to another matter to which also I want to make a brief reference. That is the Rs. 113 lakhs set apart for rural development purposes in the provinces. I congratulated the Honourable the Finance Member in my speech on the general discussion of the budget on this evidence of his interest in the welfare of the rural areas. But I want to impress upon him that

the needs of Bombay should not be considered in terms of the population of the presidency. Is it fair, Sir, that the most heavily taxed province in India should receive a far smaller sum than that allotted to Bengal or the United Provinces or Madras?

Sir, I now turn to military expenditure. The actual expenditure is not Rs. 45 crores, but at least Rs. 48 crores, if one takes into account only two major items: almost Rs. 2 crores which is a loss on strategic lines and approximately a crore which was announced by the Financial Commissioner for Railways in the other House as the amount of concession granted to the military authorities by the Railways. Sir, I hope I shall be pardoned for referring to this question at some length. The problems of defence were considered by a Sub-Committee of the first Round Table Conference in 1930 with the Right Honourable J. H. Thomas, the Secretary of State for the Dominions, as Chairman. The Sub-Committee came to certain unanimous conclusions of which I shall mention two here: first, with the development of the new political structure, the defence of India must to an increasing extent be the concern of the Indian people and not, as hitherto, of the British Government alone; and secondly, in order to give practical effect to this principle, immediate steps should be taken to increase substantially the rate of Indianisation in the Indian Army to make it commensurate with the main object in view.

Unfortunately, Sir, the present policy seems to be that a certain number of units will be completely Indianised and the results of the experiment watched carefully. And until the military authorities are satisfied that the experiment is a success, there will be no change in policy. May I point out, Sir, that Sir John Shea, who appeared before the Indian Sandhurst Committee in 1926 (otherwise known as the Skeen Committee), expressed the opinion

"We shall have a far more efficient army if a mixture of Indian and British boys in the same unit is permitted than by totally Indianising certain units".

The Skeen Committee came to the conclusion that

"both for psychological and practical reasons the continuance of the scheme can only conduce to failure".

Sir, I shall not repeat the arguments I used in my speech on the general discussion of the budget regarding the adverse reactions of India's heavy burden of defence expenditure on her general position. But in view of the fact that His Excellency the Commander-in-Chief recently stated on the floor of this House that there can be no reduction in the number of British troops at the present moment and that its present size is absolutely in India's own interests, I may be permitted to make a reference to some correspondence which has passed between the late Lord Rawlinson, at that time Commander-in-Chief in India, and Field-Marshal Sir Henry Wilson, the Chief of the Imperial General Staff. The Government of India had decided to recommend as a measure of retrenchment, after investigation by Lord Inchcape's Committee in 1922, a reduction of British troops in India by four battalions and two cavalry regiments. Lord Rawlinson appealed to Sir Henry Wilson for help and the following is a record in his diary*

"At five o'clock, I got a S. O. S. from Philip Chetwode (now our Commander-in-Chief in India) who reported a wire just received for me from Rawly which said that, in spite of his most strenuous opposition, the Viceroy in Council had ordered a reduction of British troops by four battalions and two cavalry regiments. Rawly says this is madness and asks for my help. I have wired to Philip to go to Montagu (a that time Secretary of State for India) and to find out whether I am, or am not, his adviser; and I told

* Sir Henry Wilson's Life and Diary, Vol. II, page 276.

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Philip not to be put off by being told that this was a matter of internal economy to be decided by the Viceroy in Council, because the internal security of India, the protection of her frontiers, the power to send troops to countries outside her frontiers such as Mesopotamia, Burma, Singapore and Hong Kong and finally the obligation on the Home Government to reinforce India in case of necessity were all matters interwoven in imperial strategy and, therefore, came under me.

"I wonder what Philip will get as an answer? As I said a week ago, when writing to Rawly, Montagu and Chelmsford have set up a Council with a lot of natives on it, and have lost control, and now they dare not impose the extra taxation necessary. The same Council will before long refuse to allow Indian native troops to serve outside India! And then?"

Sir Henry Wilson's blunt outburst explains perhaps far more than a carefully prepared memorandum the soldier's view on the subject. What dangers there are of external aggression today, it is not for me to say. But, Sir, in regard to internal security, I must repeat that the better way of maintaining it is to increase the contentment of the people through reduced taxation, so that funds may be available for nation-building services. As a businessman, I shall be the last person to suggest a reduction in the number of troops in this country beyond the margin of safety. If His Excellency the Commander-in-Chief is convinced that there can be no immediate reduction in the size of the army, I, for one, will be content to accept his view, however much one may regret the necessity. But, Sir, I want to put it to His Excellency that he should realise our difficulties in the matter and, before he lays down his high office, effect substantial economies in military expenditure. I cannot help feeling, Sir, that for the cost of administration of the army—such as army headquarters, divisions and brigades—Rs. 191 lakhs seem a somewhat extravagant item. I cannot also understand the need for soldier clerks drawn from the rank and file of the British Army, who draw large salaries, sometimes exceeding Rs. 1,000 a month. Let me again refer to the high cost of medical services, which is more than Rs. 147 lakhs this year. Sir, may I suggest that the Army Department should consider at what a terrible cost these departments are maintained. Only the other day, the Minister for Medical Relief in the United Provinces, in making a demand for Rs. 31 lakhs for the department, mentioned the fact that lack of funds was impeding at every step the expansion of the activities of the department. The same complaint is voiced from Bombay, Bengal and almost every other province. The medical services of the army, the medical colleges and schools and the medical stores depots and workshops cost in the aggregate this year over Rs. 175 lakhs. In other words, Sir, the medical needs of the Army in India cost us between five and six times the expenditure on medical relief in the United Provinces with a population of nearly fifty million. Then, Sir, I observe from the estimates that the aggregate pay received by British and Indian soldiers, Indian officers and followers, is about Rs. 9½ crores. As against that, the officers' pay comes to Rs. 3 crores and 58 lakhs, and the total overhead charge for officers and command is Rs. 5½ crores. It seems to me strange that out of a total wage and salary payment of Rs. 15 crores, 40 per cent. should go to the superior services. I am afraid, Sir, that this top-heavy arrangement is very far from being businesslike.

I would earnestly request His Excellency the Commander-in-Chief to consider whether the Army in India exists for the people, or whether the people exist in order to maintain the army at this high standard of efficiency?

The milk supply available in the country, as was pointed out by Sir John Megaw on the condition of health in the rural areas, is greatly deficient, except possibly in the Punjab. I can speak from personal experience, Sir, that when

I was in Kathiawar in my younger days, while butter-milk was an article of common consumption, it is becoming a rare luxury today among the masses of the people.

The serious deterioration in the health of the people and the urgent need for expanding the activities of nation-building departments in the provinces are my main reasons for making an appeal to His Excellency the Commander-in-Chief to view the problems of defence from a national standpoint, keeping India's interests first, and not merely from a departmental point of view taking orders from Britain. Finally, I should like to observe that the various suggestions that have been made during the last five years for decreasing the burden of defence should be considered at this juncture. The Capitation Rates Tribunal has, no doubt, given us some relief in the neighbourhood of Rs. 2 crores per year. But it is also agreed that the amount is inadequate and the Government of India has made no secret of the fact that it demanded much more. I am not prepared to believe that the Government would have made that demand unless it was convinced of the absolute justice of its claim. It is manifestly unfair that we, who are one of the poorest people in the world, should be asked to meet the entire cost of British troops in this country, a considerable portion of which is admittedly in imperial interests. His Excellency the Commander-in-Chief may not be with us at this time next year; but his name will be remembered with gratitude for ever if, before he gives up his office, he will give sympathetic consideration to the various alternative suggestions which have been made and to which references have been made in the Report of the Capitation Rates Tribunal—suggestions which in terms of money would vary between £10 and £16 million per year.

Last year His Excellency the Commander-in-Chief pleaded with us that when Britain was undergoing financial strain it would not be proper to ask her for a greater contribution to Indian revenues than what she had agreed to pay towards capitation charges. But I find, Sir, that the revised estimates

for this year show a balance not of £800,000, but of £7½ million, that is, after reducing the rate of income-tax from 5s. to 4s. 6d. and after restoring the cuts in unemployment benefits in full and the cuts on salaries of public servants by half. This, Sir, I maintain is an opportune moment for pressing our claims for large-scale relief.

Speaking entirely as a businessman, I affirm that the success of any constitution will depend primarily upon the amount of funds available for nation-building purposes. Let the army authorities, realising the seriousness of the position, reduce their demand on the Finance Member; let the Finance Member, in his turn, set free larger funds in the provinces so that the provincial Governments of the future may go ahead with their task of reconstruction without anxiety.

THE HONOURABLE MR. S. D. GLADSTONE (Bengal Chamber of Commerce): Sir, I rise to support the Motion that this Bill, in the form recommended by the Governor General, be taken into consideration.

In doing so, Sir, and as it is unlikely that I will have an opportunity of speaking on the individual clauses of the Bill, or on the amendments, notice of which has been given, I want to make a short explanation of the general attitude of the European Group to the Bill, and to the line of action taken by my Group in the other House in order to make our attitude clear.

As is well known, Sir, when the amendment restoring the salt duty to the level at which it stood in the original Finance Bill came before the other House, the Members of my Group abstained from voting, thereby causing the

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have no doubt that this House will help it to heal up its bandaged wounds and carry on its existence, of perhaps less than a year, undisturbed.

This has indeed been a remarkable budget session. A remarkably short statement with which the budget was introduced has been followed by a remarkably long debate in the other House and this is the first occasion ever since the country is governed by the Government of India Act of 1919 that it has become necessary to promulgate Ordinances in order to fill up the gap between the old and the new Finance Acts. I hope, however, that following the admirable example set by the Honourable the Finance Secretary, this House will demonstrate in this debate that brevity is the best recommendation of a speech.

I do not propose to wade through the labyrinth of the figures marshalled before us in bulky volumes and intricate statements prepared with much dexterity by the financial pandits of the Indian Government. Nor do I think that I shall be justified in questioning the *bona fides* of the Government in putting forward their budget proposals, which have taken the Finance Department so long to prepare, or examining them at length. But I cannot restrain myself on this occasion from bringing one or two matters to the notice of the Government. I shall do so as briefly as I can. But before I deal with some of the features of the budget proposals that appear to me highly objectionable, I should like to congratulate the Finance Department and particularly my Honourable friend, the Finance Secretary, who, I am proud to say, comes from my province on the presentation of a surplus budget ; on the introduction of Finance Bill, which does not make provision for any fresh taxation, and reduces some of the existing ones to some extent ; as well as on utilising last year's surplus for rural uplift, roads, broadcasting and civil aviation—items that will undoubtedly play a great part in the future development of this country.

I am afraid I cannot include in this list the transfer of the Agricultural Institute from Pusa to Delhi which, to my mind, is the most obnoxious proposal in the current budget. I have already expressed my opinion on this subject in the course of the debate that took place in this House last year. Ever since the proposal was made known, public opinion has been widely expressed on this subject. I need not go into the details of the discussions that have taken place, as I think the Government is fully aware of the same. The proposal is indefensible either from the point of view of economy or efficiency. The Government has not established the fact that on account of its location at Pusa the Research Institute has not been working efficiently. The Government did not find any fault with it so long. It has been calculated that the cost of repairing the damaged building would be much less than the proposed cost of transplanting it to Delhi. It is sheer obstinacy—or shall I say “mere whim”—on the part of the Department of Education, Health and Lands which was till lately presided over by Khan Bahadur Mian Sir Fazl-i-Husain that, I think, is responsible for this move. Of course now, arguments are invented and multiplied, and facts are unearthed to justify the *fait accompli*. I am sorry that I have to refer to Sir Fazl-i-Husain when he is not here. But he is so much mixed up with the affair that I cannot help it. The decision was taken during his term of office and I feel that in the teeth of the vehement opposition, with which the proposal was greeted, no one else would have thought it proper to make the change by treating public opinion with so much contempt. Of course, he carried the Government of India with him in this matter. But that did not change its character. Apart from the

fact that the opinion in Bihar, the province which is touched by it, is dead against it, the discussions that have taken place on the subject in the Assembly clearly show that the feeling against the transfer is not confined to Bihar alone. All those who are competent to voice the popular feeling in that province and quite a number of responsible persons outside it, have opposed the proposal. The Press has condemned it in unmistakable terms. The House is perhaps aware that the Bihar and Orissa Legislative Council has passed a Resolution against the transfer and with your permission, Sir, I should like to quote recently expressed opinions of two sober-minded eminent public men of my province in order to show the strength of feeling there. I refer to Mr. Sachchidananda Sinha, ex-Finance Member of the Bihar and Orissa Government and the present Leader of the Opposition in the Bihar and Orissa Council, and Sir Sultan Ahmed.

Mr Sinha says : “ In view of the verdict of the Assembly on the Government of India's scheme to remove the Agricultural Institute from Pusa to Delhi, I earnestly hope that they will even now stay their hands. The opposition to the removal of the Institute to Delhi is unanimous in Bihar and now that the Assembly has expressed its view clearly on the subject I hope the Government will accept that decision and not persist in carrying out the scheme actuated with a false sense of prestige. On the contrary, by repairing the buildings at Pusa, and maintaining the Institute there, the Government will have enhanced its reputation for a sense of economy and fair-mindedness ”.

Sir Sultan Ahmed observes : “ We are very happy that the Assembly has voted down the demand to cover the cost of the transfer of the Pusa Research Institute. I only hope and trust that His Excellency the Viceroy will accept the verdict of the Assembly and let the Institute remain where it is ”.

“ Only two days ago, I motored through Pusa and I felt that the decision to transfer the Institute was wholly unwarranted and unjustified. The huge expenditure of over Rs. 30 lakhs, which this transfer involves, cannot be characterised except as a public scandal, and I feel certain that the verdict of the Assembly has behind it the opinion of all right-minded and responsible citizens not only of Bihar, but also outside. I hope and trust that the decision of the Government will not be adhered to on a false notion of prestige ”.

and mark what follows :

“ To correct a wrong decision enhances the prestige of the Government, and adherence to a wrong decision is bound to react the other way ”.

I endorse every word of what has been said by these esteemed friends of mine and earnestly appeal to the Government not to take shelter under technicalities or be actuated by a false notion of prestige, but to respond to the volume of public opinion, expressed in a constitutional manner, and undo the wrong that has been perpetrated on the Indian taxpayers in general and the province of Bihar in particular by this arbitrary and unjustifiable decision. May I hope that the Honourable Kunwar Jagdish Prasad, whom I welcome here today, will go into the matter sympathetically, and signalise his entry into the Department of Education, Health and Lands, by reversing the into the Department of Education, Health and Lands, by reversing the scandalous decision reached by his predecessor and showing that it is never too late to mend.

The second matter which I wish to bring to the notice of the Government is that the reduction in the surcharge is unsatisfactory. This has been an emergency measure and it would have been fair if the Government would have treated all such measures with the same consideration. I do not see any reason why the cut from salary is to be treated differently from compelling the over-tax ed tax payers to pay extra taxes on their hard-earned income ; and why the one should have preference over the other. There would have been perhaps little

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cause for grievance if the anticipated surplus would have been utilised for reducing the emergency taxes and cuts in equal proportion. The position today is that while Government servants have got back their former income, those engaged in trade, manufacture, commerce, industry, etc., still have their income considerably reduced on account of the economic depression, which has not yet passed, and therefore the taxation affects the latter more adversely than the former and the material progress of the country is arrested. I hope, however, that the Finance Department will see that the surcharge is completely wiped out in the next financial year. We generally find that the Government goes on increasing its expenditure for one of its proposals or the other, on one pretext or the other, and makes the emergency taxes permanent. The super-tax, which was introduced merely as a war measure is a glaring instance of the same. We wish to be reassured that nothing of that kind will happen to emergency taxes that have been imposed merely on account of the stress of grave economic crisis. We have before us the prospect of an increased expenditure as a result of the introduction of the new constitution and this makes us apprehensive of the fact that the Government may go on deferring its pledge for the reduction of these emergency taxes to Doomsday.

Sir, with these observations, I support the Motion before the House.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, I entirely associate myself with the remarks of my colleague Mr. Sapru so far as the constitutional position of this Bill is concerned. We on this side of the House believe that the Bill, coming in a recommended and certified form, is certainly an insult to the House. Sir, I am sorry that my Honourable friend the Law Member is not present here as I wanted to put a definite question to him when he made his speech and gave references to certified Bills coming to this House. He agreed that in 1923 the Finance Bill came to this House and was returned to the other House and then was certified and he said that except in 1923 on all occasions Bills came in the same form. Sir, I beg to differ from him and I would point out that in 1931 the attitude adopted by the Government was quite different. It was one which we are prepared to accept this year also and it was this, Sir, that the other House made a cut of about Rs. 2.40 lakhs in the taxation measures brought by the Government. When the Governor General sent the Bill to this House they accepted a reduction of about Rs. 1 crore. Thus it was a certified Bill in a compromised form. So many amendments were moved and carried in the other House this year and if the Government had accepted two or three amendments and met half-way the situation would have been quite different. It was on account of this attitude that the Government found their supporters, the European Group also, not voting with the Government. So we on this side of the House are in entire agreement with the remarks made by my friend Mr. Sapru.

Sir, now coming to the Bill, I must say that when Government comes to demand supplies, to ask us to vote for taxation to carry out their policy we must criticise and thoroughly criticise their policy and give them a chance to defend before we agree to taxation and grant supplies. If the policy of the

Government has been for the betterment of the country we on this side of the House have absolutely no objection in voting for taxation measures, but if their policy has been otherwise we certainly think that we should not vote any more taxation as we consider that the taxation measures have reached a limit. Therefore, Sir, with your permission I will examine the policy of the Government and give them a chance to defend their policy of carrying on good government, deserving the vote of this House for further taxation. Sir, we all know that in 1931 the Government brought taxation measures as an emergency measure and they wanted the vote of the House to an extent of about Rs. 15 to Rs. 20 crores. At that time a definite promise was held out that it was due to the unprecedented economic depression and these measures would not last more than 18 months. Since then what we find is that the emergency measures have become an annual function and we are called upon every year to come and vote for the taxes which we were asked then as an emergency measure to agree to. The question is whether the emergency that existed at that time exists today or not and if it does not exist to the same extent to what extent does it exist now? We all know that the Government had a surplus budget last year and they are estimating a surplus budget for the next year, 1935-36. They have not taken into consideration the surplus budget. And what was the surplus—about Rs. 3 crores and 39 lakhs, and they distributed it in the way they thought proper. May I put a question to the Honourable the Finance Member? How far was it reasonable and proper to distribute the surplus in the way in which he thought convenient instead of reducing the burden from the taxpayers who are already overburdened? Sir, the Honourable the Finance Member proposed that Rs. 92 lakhs should be spent on civil aviation. May I ask if it was a necessary measure—or was reduction of taxation a more necessary measure? Then, Sir, another Rs. 20 lakhs were set aside for developing the broadcasting stations at Delhi and Madras. May I ask whether these things could not have waited for a year or two? It was in the fitness of things that the Government should have reduced the burden of taxation before giving effect to these measures. Then, Sir, the Government thought it proper to restore the 5 per cent. cut in the salaries of their servants before even consulting the Legislature. How far was this policy reasonable and proper and how far can the action of the Government be justified? When the 10 per cent. cut was made in the salaries, we were given to understand that it was done to justify their 25 per cent. surcharge; so that when they restored the 5 per cent. cut, it was their duty to see that the surcharge was removed before any further cut in the salary was restored. But they have not done this. They have not even cared to consult the Legislature. On the very eve of holding the Legislature, they announce that they have taken this action. And what was the result of this policy? The result was that the imperial budgets have been decreased to the extent roughly of about Rs. 2 crores including the railways, and the provincial budgets have also been upset wholly. Province after province produced a deficit budget on account of this short-sighted policy, and the local Councils have been asked to vote for numerous taxation measures. It was a very short-sighted policy and it was not in the interests of India at all. We all know, Sir, that the salaries of officers in India are the highest in the world. Let me examine what are the salaries that are being paid to the high officials in England and in India and how far the action was justified. As far as I know, Sir, there was also a cut in the salaries of officers in England and I do not know if it has been restored yet? I know for certain that they have been trying to reduce taxation year after year after the economic crisis was over. But in India they are not reducing taxation. They are continuing their taxation measures. But they have thought it fit to restore the salaries cut. Sir, the Prime Minister

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

of England who governs the Empire, of which India is a part, only gets £5,000 a year, while the Viceroy of India gets £20,000 a year, though he is only a subordinate and representative of the British Government. The pay of the Secretary of State, who is superior to the Viceroy, is also £5,000.

THE HONOURABLE THE PRESIDENT: Yes, but the Secretary of State has not got the same expenditure as the Viceroy.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, the Viceroy is allowed other expenses also. As far as I think this is the net salary he is getting excluding all the other charges.

THE HONOURABLE SIR DAVID DEVADOSS: The Viceroy of Ireland also gets £20,000.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Then, Sir, the Commander-in-Chief gets here about Rs. 1 lakh a year, while his superior officer in England—I mean the Secretary of State for War—gets £5,000 a year.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: But he has no technical qualification.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Then, Sir, the salaries of governors, executive councillors and ministers are all higher than the salaries of the ministers in England. So, Sir, so far as the question of salaries is concerned, a 5 per cent. or 10 per cent. cut is nothing in comparison with the salaries which the superior officers are getting, and the Government should have considered very seriously this question, as well as their good name, the imperial and provincial budgets, before they came to this unfortunate decision of restoring the cut.

Sir, I understand that the highest salary that any permanent official gets in England is £3,000 only. May I know if the highest officials there have no such work or responsibility to perform as the highest officials have to perform here in India? India is a poor country and the average income yearly of an Indian is one-sixth of the income of an Englishman. Therefore, Sir, the salaries here ought to have been much lower instead of at such a high rate, and if the 10 per cent. reduction was made, it ought to have been continued for a time till the emergency measures were all wiped out and taxation lowered. But this has not been done. Therefore, the Government is responsible for continuing these emergency measures. Their showing a balanced budget or a surplus budget is all due to these taxation measures. If they were withdrawn, I am sure the Government would not be able to produce a balanced budget or a surplus budget unless they made heavy reductions in their expenditure. So, Sir, this leads me to one conclusion, and it is this. The policy of the Government has been not for giving any relief to the country but to exploit the country. Other countries have spent enormous sums in building up their nation-building departments, but in India, after more than 80 years of rule, the Government have not been able to develop to the extent that other countries have developed in 30 years. During the last 30 years, Japan has developed its resources enormously. It has not only made its country self-contained, but it is exporting articles to other foreign countries, competing with the greatest nations of the world. If the Government could

not have brought India to the same condition, it could at least have made an honest effort to make India self-contained and to increase her wealth. They have not done so. Whatever income is derived from taxation, they spend more than 80 per cent. of it in the reserved departments, in the maintenance of an army of occupation, and in paying high salaries to the top-heavy departmental officials. We consider certain things to constitute the wealth of nations. Let me see how far the Government has tried to develop the wealth of our nation and whether they are justified in the amount of taxation that they have levied on the country. In regard to education, after more than 80 years of rule, they have not been able to educate more than 10 per cent. of the male and 3 per cent. of the female population of India. If they had tried to develop education in the country, I am sure the wealth of the country would have been developed and the Government would not have felt the necessity for levying such high taxation, or even if there was a necessity, people would not have felt the burden as they would have been amply compensated by getting education and enlightenment. Sir, we know that when the emergency existed, only two Universities, Benares and Aligarh, which were getting a paltry contribution from the central revenues were subjected to the 10 per cent. cut. Now, the whole of the salary cut has been restored, and yet the 10 per cent. cut on the Benares and Aligarh Universities has not been restored. May I ask whether this is a policy meant for the betterment of the condition of the masses in the country or a policy of exploitation? Take another instance, of agriculture. Agriculture is the main industry of the country. Most of the taxes come from the agriculturists. More than 90 per cent. of the people of this country live on agriculture. What has the Government done for their improvement? The whole policy of the Government has been not to help them in any way, and whatever they have done is merely a drop in the ocean. The masses are practically starving. A large number of people do not get even two meals a day. If you go to the interior of the villages, you will find that people are wearing torn clothes; they look emaciated, as they do not get food and the other necessities of life. It was only yesterday that we wanted Government to protect the wheat grower. We wanted them to continue the import duty of Rs. 2 per maund. But they could not see their way to do it. I gave notice of an amendment which was only to maintain the *status quo*, but it was not allowed, and the duty has been reduced from Rs. 2 to Rs. 1-8-0. I am sure that this will affect the wheat-growing provinces of the Punjab and the United Provinces bitterly. This is the policy of the Government so far as the agriculturists, who are the mainstay of this country, are concerned.

Let us see if Government have helped the industries of the country, which also contribute largely to the wealth of the nation, and if so, to what extent. Whatever protection has been given to the industries is only nominal. If Government have tried to protect an industry on the one hand, they have levied an excise duty at the very infancy of the industry on the other, so that the industry may not develop to its full height. Sir, we all know that exorbitant excise duties have been levied on sugar, matches and steel, during the last year. The result is that these industries will be killed in the course of two or three years. The money invested by capitalists will be mostly lost and when Government come forward to give protection to other industries, the capitalists will not come forward to invest money therein thinking that if it comes into the head of the department to levy more taxation, they will put on an excise duty and finish the industry. So far as trade with foreign countries is concerned, we see that Government has made agreements without consulting the Legislature and business men. There was tremendous opposition to the Ottawa Pact, but as Government wanted it, they have concluded it. So far

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as the Anglo-Indian agreement is concerned, Government did not even think it proper to consult the merchants and Legislatures of the country. What is the idea behind this? We think, Sir, that India is being sacrificed at the altar of imperialist policy. Government want to help the United Kingdom and the Colonies at the expense of India. We are prepared to make treaties, not only with the Colonies and the United Kingdom but with other countries also, but on an equal footing. We do not want that any kind of preference should be given to any country. They should accept all the terms which they want us to accept, and that is the only treaty or pact that we would like to accept. This also has not been done.

Now I come to military policy, on which the major portion of the central revenue is spent. If you look to the budget proper it would appear that Government is spending only Rs. 45 crores on the army. But if you go minutely through the budget you will find that in many other ways expenses are being incurred which are purely military. For example, in the railway budget you will find certain lines, specially constructed for military purposes and certain roads and bridges built for them. In the public works department, the railway department and in many other departments, you will find that money is being spent simply for army purposes. Then the Government fixed a certain ratio after the Mutiny of 1857 for British and Indian troops. They fixed a ratio of two to one as between European and Indian forces. In spite of so many changes and in spite of protests in this and in the other House, Government has not changed its policy. They still maintain the ratio of two Indians to one European. They have admitted that the cost of a British soldier is more than three times the cost of an Indian soldier. If the Government were to substitute even one-fourth of the present British strength in the army with Indian troops, they would make tremendous savings, and we would not be required, as we are required today, to vote for these taxation measures. Not only has that ratio been maintained in the fighting ranks but they are not prepared to change the ratio of two to one even in the case of Indian Medical Service officers. It was only the other day that I moved a Resolution in this House and got a plain and straightforward reply that Government cannot change its policy. They want a certain number of Indian Medical Service officers for the requirements of the army to be kept as a reserve and therefore they are not going to change that ratio of two to one.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : Sir, I would like to ask the Honourable Member whether he recollects that in reply to his speech I had stated that the Army Secretary had mentioned in the other House that Government had the ratio under consideration and that the result would be declared in due time and the Lee Commission ratio was not sacrosanct?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, I am talking about past policy. I would ask my friend to wait and see whether there will be any change or not. If you come next year to this House you will see how much change has been made in this policy of Government. That is only a paper assurance. My friend will see that there will be absolutely no change.

Sir, we know that all countries have reduced their military strength during the time of peace. So far as India is concerned, there is no menace from any where. They have developed the Air Force; they have established a Royal Indian Navy. These are in addition to the other forces and I think they help

to a great extent and therefore it was but proper, since they have incurred extra expenditure on the establishment of these forces, that they should have made at least a corresponding reduction in the other arms. But they have not done so. Another extraordinary feature is that this year army expenditure has been increased by as much as Rs. 67 lakhs over last year. We all know that the prices of foodstuffs and of other materials have fallen. We therefore expected that there would be an enormous reduction, if for nothing else, on account of the fall in prices of foodstuffs and other materials. But instead of any reduction, we are surprised to see that Government have increased army expenditure by Rs. 67 lakhs this year. The whole military policy in not admitting more Indians both as officers and sepoys and in not reducing British forces is based on distrust of Indians. In spite of the fact that the Indians have fought shoulder to shoulder with British troops in the Great War and in spite of the fact that Government have admitted the integrity, quality and bravery of the Indian soldiers time and again, both inside and outside the House, still the whole military policy is based on distrust of Indians. In this connection if you will permit me, Sir, I will read a passage from the opinion of a Government expert, Sir Walter Layton, who came as financial adviser to the Simon Commission about the taxes imposed on India on account of the military policy. I think his opinion ought to have proper weight with my Honourable friend the Finance Member. He said :

"It has to be remembered that the extent to which taxation is felt as a burden depends very largely on the objects on which the Government spends its revenue. Thus, it has been frequently pointed out that taxation for the purpose of paying interest on an internal debt is economically speaking a transfer of wealth within a country which may be true but it does not hamper enterprise if the method of raising revenue is unwise, but which need not do so or affect the total saving power of the community."

Again,

"Wise expenditure on social services and particularly on health and education should be remunerative in the sense of increasing the wealth producing power and therefore the taxable capacity of a country. Security is of course essential, if production is to develop but it cannot be claimed for expenditure on defence either it is a mere redistribution of income, or that it promotes productive efficiency. Indeed, economically speaking, it is the most burdensome form of expenditure, and this is particularly the case where, as in the case of India, the army contains a large element drawn from elsewhere. If, therefore, the high defence ratio in India is a Government expenditure is partly due to the low level of other expenditure, it remains a peculiarly burdensome one, and it would be reasonable to assume that, even if the total expenditure of India were increased, the burden would be more tolerable and more readily borne, provided this particular charge were diminished."

Sir, this is the opinion of Sir Walter Layton and we on this side of the House are thoroughly in agreement with the opinion expressed by him and we feel very bitterly these taxation measures on account of the enormous expenditure by the Government on military affairs. Sir, if my Honourable friend the Finance Member will take into consideration the amount of expenditure per head of the other countries with the income he will find that India spends the highest amount in consideration of the income per head. I would strongly protest and urge the Government that it will be in the fitness of things and the time has come that they should change their military policy; they should effect more Indianisation and reduce the forces as far as possible.

Then, Sir, I come to another question, namely, the ratio. The question of ratio is a very old one and it has been repeatedly brought to the notice of the Government that as long as they link the rupee to the sterling the wealth of India will be reduced correspondingly and there will be no contentment in India. The ratio is telling severely on our agriculturists. We cannot

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expect a revival of trade and industry as long as the rupee is linked with sterling. Sir, we do not want devaluation of the rupee from Government, but certainly we want that it should not be overvalued. The value of the rupee should be fixed as it is; they should not fix overvalue of the rupee and this is very important so far as the nation-building departments of the country are concerned. In this connection, Sir, I may also mention the export of gold. Government have been repeatedly requested to levy a heavy export duty on gold, but they have not found their way to do so. The result is that every week we see in papers so many crores of gold are exported out of India. I consider that gold is the lifeblood of a country and the exportation of gold is drawing blood out of India. The time will come very soon when India will have absolutely no gold left. Some of the gold in distress form also comes from our agriculturist and on account of economic depression whatever ornaments they have in gold or silver have all been used to maintain themselves and pay rents or to meet their expenses.

THE HONOURABLE THE PRESIDENT: Do they not get rupees in return?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: They get them certainly but they cannot save; they pay revenue and meet other expenses.

Sir, by putting to a critical test the administrative policy of the Government we on this side have come to the conclusion that there is absolutely no case for supplying the Government with more monies to carry on their administration so lavishly if they do not want to have any change in their policy. The whole policy of the Government is, to put it in a nutshell, based on this, *that people live for Government and it can do nothing for them*. Sir, as long as this policy lasts, we on this side are not prepared to co-operate in supplying funds to the Government.

With these observations, I oppose the consideration Motion of the Finance Bill.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Sir, my Honourable friends who preceded me have spoken each in his own way splendidly and eloquently on the Finance Bill. But I must point out that I would be failing in my duty, being an elected representative, if I do not speak out my mind fully and unreservedly today. This Finance Bill, as all Honourable Members are aware, is unprecedented in its character so far as it imposes a large volume of taxation which has been presented here in a certified form by the Governor General. Sir, I desire to confine my review to the one thing which strikes me most prominently in this Bill; it is the deceptive feature of the surplus of this year which my Honourable friend, Sir James Grigg, had the courage to place before us, which is nothing but a clever manipulation of the Member-in-charge, which might be golden, but far from gold, the real metal. But, Sir, it would have been doubly welcome if this central budget had really indicated as it should have the much needed relief in taxation and thus lessening of misery among the people. But are we able to recognise any material improvement in the lot of our people, the agriculturists? What I expected was more relief to taxpayers but the only satisfaction it has brought was the restoration of salary cuts which goes to a contented official class. But are we able to recognise any material improvement in the lot of our people, the agriculturists? Are they able to find a market for their agricultural produce? When on one side foreign rice is being

dumped into India, large exports of gold, mostly drawn from villages, leave India in alarming proportions. Without discussing the arguments for and against these exports an ordinary observer will be able to see that it is not all to the good of India. Sir, what after all does this surplus mean? If it means anything it is bad housewifery. There are housewives, Sir, who would starve their children without healthy food only to increase their credit with the bank in their greed for the expert's fame. Such is the case with Sir James Grigg too. But let me tell him in clear and emphatic words. You had no right to budget for a surplus by starving the nation; you had no right to continue the imposition of the iniquitous taxes on salt and the exorbitant postal and telegraphic charges; in fact you had no right to continue measures that were sought to cope with the exigencies of a war-time down to a decade after the peace. We do not want your surplus. What we want is an equitable balance between both sides of the sheet, a reasonable adjustment between the nation's income and expenditure, the lack of which is tantamount to a woeful negligence of the principles of national economy and a scientific budget.

Now, Sir, I shall proceed into some of the details of the working during the current year. It has been admitted that the surplus on the revenue side has been mainly due to customs. I see, Sir, however, that the tariff wall stands as high as ever and the surcharges are not removed. My Honourable friend the Finance Member has recognised the justice of demand of the local Governments, especially Bengal, in point of the allocation of the proceeds of the jute duty. But five new taxation Acts in Bengal would hardly be a very welcome method in dealing with the situation. Bengal wants more money for the internal development in rural areas. Bengal is essentially an agricultural province and Bengal therefore should receive in full the export duty on her jute as a matter of right. I draw the attention of the Honourable Members of the House to the provision in section 137, clause (2) of the Government of India Bill.

Let me now turn to the expenditure side for the year 1935-36. The expenditure as planned shows an increase of Rs. 96 lakhs which, according to my friend, the Honourable the Finance Member himself, is almost entirely due to the restoration of the pay cut. The Honourable Member himself admits that there has been a good deal of criticism on the Government's action in this matter. I admire him for his courage and straightforwardness. Any impartial observer, Sir, any one who views both sides of the ways and means should be convinced of the fact as to how entirely uncalled for and inopportune this restoration of the cut is felt to be. Whereas we expected a substantial diminution in the miseries of the agriculturists, who are the backbone of the country, we are given this satisfaction, namely, of seeing highly paid officials adding a little more to their comforts.

Speaking, Sir, on the defence cost, Burma should bear proportionately her share as it has to defend the North-East Frontier. The Howard-Nixon suggestion of Rs. 150 lakhs is too small, and Burma should spend at least Rs. 4 crores in defence and India should be relieved of Rs. 4 crores, cost of her defence. This sum should go to give relief to the provinces.

Then, Sir, comes the question of military expenditure. But, Sir, speaking of the amount of beneficent expenditure the Finance Member while speaking on this Finance Bill has admitted in the other place in his analysis that

"the expenditure is approximately equal to the amount of the defence budget, namely, between Rs. 40 and Rs. 50 crores a year. So it is a little grotesque to suggest that the care of the Government for the direct improvement of the lot of the Indians is only measured by the one crore which has in this year's central budget been allocated for rural development".

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He further observed, addressing the Opposition in the other place :

" You may argue if you like a comparatively high proportion of national expenditure goes on defence against external aggression, and preservation of internal order, but I think he would be a rash man who would deny that self-preservation is not man's first law '.

But, Sir, despite the halt cry of a whole people groaning under over-taxation, despite better conditions prevailing both inside and outside the country, despite the much advertised activities of the League of Nations talks of world-peace, disarmament proposals, international arbitration and war being made an impossibility, the Honourable the Finance Member has bluntly declared that reduction is out of the question if India is to face the conditions of the world. " Self-preservation " and " world conditions "—fine phrases indeed to cover a multitude of indecent vices ! Why not speak out the plain facts ? Say that so long as Japan will look to lording it over the Pacific, China shall be unwilling to be " Chinese dogs " within her territorial limits, Russia will be carrying on the message of her new gospel and making ever new friends, and a permutation and combination of political alliances going on between the East and West, and India's neighbouring monarchs awaking to world realities—so long India, the open sesame to the Orient, the master key to the Eldorados of exploitation, India cannot be untagged from the chariot wheels of British imperialism, for this car of Juggernaut must go on and India must be bled white of men, money and munitions.

THE HONOURABLE THE PRESIDENT : Are you speaking on European politics ?

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Sir, to make the matter short I cannot in the circumstances look with complacency upon this Finance Bill now before the House when I notice that Bengal's persistent demand for the immediate transfer of the whole and entire proceeds out of the duty on jute to the provincial exchequer has been treated with scant courtesy, when I notice that no indigenous industries like the salt industry has been vouchsafed with adequate measure of protection, when I notice that the postal and telegraph rates are weighing like nightmares upon an entire people, when I notice that about one-third of the total expenditure of the nation is swallowed up by its military, when I notice that Government is always trotting out the fifth rate excuse of " limited resources " whenever the question of beneficent and welfare activities of the Government crops up, I for one, the moderate of moderates, cannot aid or abet the Honourable the Finance Member in his unblushing performance of self-laudation or commend this Bill to the country at large.

Sir, this is an occasion for reviewing the whole situation, political, economic and financial of the country, and in this connection I would like to touch, as lightly as I may on the long expected topic of immediate autonomy in the provinces or the immediate responsibility at the centre. But, Sir, as a practical politician of common sense I venture to say that without the settlement of the communal problem neither provincial autonomy nor responsibility at the centre will be of any avail, and I think that the money which has been wasted on the proceedings of the Round Table Conferences and Joint Parliamentary Committee could have been utilised for more beneficial purposes, if the communal problem had been settled in India before Mr. Gandhi and Pandit Madan Mohan Malaviya with their brother delegates sailed for England. So long, Sir, as the communal problem remains unsettled, let me repeat and

say that there will be no peace in this unhappy land of misery and bondage ; and whatever freedom for liberty we may obtain, will be the freedom and liberty to fight among ourselves for our own selfish interest and the presence of the British will be a dire and imperative necessity for holding the balance.

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT (Bombay : Non-Muhammadan) : Sir, in discussing the Finance Bill under the usual procedure there remains very little to add in this House after what has been said in the other House. But this year unfortunately we are meeting to discuss the Bill under the unusual procedure of recommendation and certification by His Excellency the Viceroy and Governor General. On the one hand, Sir, I do not agree with the Congress party in the Legislative Assembly in reducing tax after tax without any sense of responsibility, but only on the strength of the Party. On the other hand, there appears to be no justification on the part of the Government not to accept even a single recommendation of the other House for the reduction of taxes. To my mind had the Government accepted at least some if not all of the suggested reduction of taxes, like that of the salt tax, and the reduction in the rates of postcards and letters, I think they could have proved to the world the irresponsibility of the Congress. But by advising His Excellency to certify the Bill in its original form Government have proved nothing but a sense of irresponsibility on their part as well. After all, Government in all its forms must assimilate public opinion amongst the governed. The most important feature in the Finance Bill debate and voting in the other House is the abstention of the European Members in supporting Government in their action. It was the first occasion when, in connection with the Finance Bill, the European group abstained from voting on the Government side knowing full well that their votes would surely have given Government a majority. To my mind this conclusively proves that even the kith and kin of the present Government could not see eye to eye with them when they invoked the aid of the extraordinary power of certification of the Bill. The non-official European opinion in this country is clearly against the continuance of the taxes levied as emergencies and they also desire to see such taxes reduced. Sir, Government surely could have met the deficits that would have accrued by the acceptance of the recommendation of the other House if only the restoration of the cut in salaries of Government servants would have been deferred for a further period of one or two years. There is no denying the fact that the cost of administration is very heavy in India when compared with the cost of administrations of other countries. Army expenditure in India is beyond proportion. High salaries of officers are unthinkable in any other country. This attitude of ignoring the public feelings and sentiments in the country is only strengthening the hands of the extremists and socialists. I cannot, Sir, absolve Government from the blame for their absence of wide vision and for their narrow outlook in politics. I would request Government to seriously consider the question of the reduction of the salt tax and the reduction in the rates of postcards and envelopes, if not in this Bill, at least in preparing their next year's budget.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I have great pleasure in associating myself with other friends in extending a very hearty welcome to the new Leader of the House. Although, unlike those friends from the United Provinces, I have not had the privilege of knowing him before, still, coming from the big landed gentry of the United Provinces and an old aristocratic family, as he does, I have no doubt that his presence will be very useful in safeguarding the interests of those

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landed people whom we have the honour to represent in this House. I am also very much pleased to see that some of the Members of His Excellency the Viceroy's Executive Council have graced this House with their presence today. I hope their presence will not import the same spirit which we saw in the other House.

Sir, the form in which the Finance Bill has been placed before us has really perplexed some of us very much indeed. I was very anxiously waiting to hear the Law Member and I think that the very reason of his taking part in the debate was to make the issues clearer than they were before. But, to my great disappointment he contented himself just by repeating the history of the Finance Bill from the year 1923 to the year 1934. Well, Sir, there was no necessity for that, because most of the Members in this House have been here in this Legislature since the beginning of the reforms and we know very well all that has happened. What we really wanted to know was whether there was any substantial difference between a recommended Bill and a certified Bill or not? Is the difference merely in words or does it go beyond that? We were under the impression that while in the case of a recommended Bill it was open to the House to pass an amendment which His Excellency the Viceroy could certainly consider, in the case of a certified Bill it was beyond the powers of any Legislature to pass any amendment. This was the most important point upon which we would have liked to hear the opinion of the Law Member. Our position still remains of great uncertainty. The Honourable the Finance Member very kindly promised that when he is making his speech, he will tell us whether it will serve any useful purpose our considering the various clauses of the Bill or not. Well, Sir, we anxiously wait for that opportunity when he will throw some light on the subject. Meanwhile I cannot help expressing in very strong terms that the Finance Department have thoroughly bungled in the case of this Finance Bill. I am sure they could have succeeded in getting the Finance Bill passed through the other House if they had shown more foresight and a more compromising attitude.

Now, Sir, if you will forgive me on this occasion I would in very brief words relate the different political stages through which we have passed since the inauguration of the new Reforms Scheme. In 1920 as we are all aware these Legislatures were boycotted by the Congress and there was non-cooperation. Those Members who came to the Legislature came in opposition to the popular wishes. The attitude of the Government was that they were fully conscious of the fact that those people who had come to co-operate and work with them deserved sympathy and support. With the result that, if you look up the proceedings of those three years from 1920 to 1923 you will find that the Government of India were always willing and ready to co-operate with them and went to the greatest possible length in acceding to their wishes. Then, Sir, in the year 1924 the Swaraj Party decided to come to the Legislature. The policy of the Government was accordingly changed. But though they were not in the same mood to respond as they were before, they did not give up all hope of winning over the sympathy, if not of the extremists, at least of the moderates in the House. With the result that whenever any popular demand was made the Government always met it half-way. For instance, when the question of Indianisation of the army arose, His Excellency the Commander-in-Chief at once made an announcement that he was prepared to appoint a Committee called the Sandhurst Committee. Similarly, when the Swarajist Party thought that the present reforms contained some inherent defects which could be removed without going to Parliament, the

Government at once announced the appointment of the Muddiman Committee. So on almost all important matters the Government showed a spirit of accommodation. Then in 1931 the Members who came to the Legislatures were neither those who belonged to the Congress Party nor those who belonged to any anti-Government party. It was during this period I must say that the demoralisation of the Government of India began. It may be that it was due to the fact that the Members returned to the Legislature had no unity and had no following in the country, or it may be that the attention of Government was more concentrated on the Round Table Conference and the forthcoming constitution than on the present one. If you will compare the last occasion when the Finance Bill met a similar fate in the Legislative Assembly with the present attitude of the Government you will find a world of difference. With your permission, Sir, I will read out just a very small quotation from the speech of the then Finance Member. What happened was that the Assembly made some substantial cuts in the Finance Bill which the Government thought they could not accept as a whole. So the Bill was taken to the Viceroy and was sent back in a recommended form. But, while sending it back in a recommended form, the Government accepted an amendment which made a difference of Rs. 90 lakhs. That was the first budget of 1931. And when presenting that recommended Bill what did the Finance Member Sir George Schuster say? He said:

"Now that the balance has been rudely upset by the amendments passed yesterday, and we cannot regard that upsetting of the balance as anything but wrong, but so far as possible, even if we think it wrong we must bow to the expression of public opinion in this House".

Sir, that was the spirit in which Sir George Schuster treated the opinion of the other House. He went on and said:

"That means that we have given effect to 70 per cent. of the proposals passed yesterday".

He went on further and said:

"I think that these results are definitely bad, but in order to meet the wishes that have been expressed we have got to face them. As to the army, whatever may be said on the question that the army is too large or that His Majesty's Government ought to pay a contribution, Honourable Members know perfectly well that those are questions which cannot be tackled now".

I will not tax the patience of Members by reading any more, but that was the spirit in which the Finance Bill was brought back to the other House. I am fully aware—

THE HONOURABLE THE PRESIDENT: You admit that there was a spirit of compromise?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: As far as the Government of India are concerned. They then brought this Bill in the recommended form to the Council of State. Now, Sir, I will just read out, with your permission, what the Honourable Mr. MacWatters, the then Finance Secretary, said in addressing the Council:

"The Finance Member is to be congratulated that within this short interval the situation has been tackled and a remedy has been found. But, Sir, if the current features in the financial world are carefully analysed and properly understood, I should add that, while the Finance Member deserves our congratulations, it is Lord Irwin and Mr. Gandhi who deserve our thanks. When I say this I mean, and every one will agree, that but for the instantaneous and gratifying effects which the Irwin Gandhi pact has had on certain aspects of the financial situation the crisis in the ways and means position may have by this time reached an extremely acute phase".

[Raja Ghazanfar Ali Khan.]

So this was the spirit which was shown by the Government of India in 1931. And what happens in 1935? About eight amendments were carried in the other House. Of those, some, I have no hesitation in admitting, were very unreasonable. There were others which only made a difference of a few lakhs. Now, suppose the Government had accepted say, one amendment of all the amendments made in the other House. I can assure the Government that they would have been able to carry the Finance Bill through the Assembly. Does it not mean that the Government are really determined to retaliate and become vindictive? I may tell them that this spirit of vindictiveness does not pay a responsible Government. It does not matter if the Opposition, who know that they cannot replace the Government and cannot occupy their seats, employ these tactics. But the Government ought to be more responsible.

Then, Sir, let us assume for a moment that there is a party in this country whose sole aim and object is obstruction, although I personally am not one of those who believe it is true, because I have seen that several Bills have been passed in the other House without the Opposition Party calling divisions. That means that they have not come into the Legislature with the avowed policy of consistent obstruction. Now, I would ask Government how many measures there are which have been passed by the other House without the help of those parties, whose leaders are moderate. Will they say that Mr. Jinnah, Leader of the Independent Party, is out for obstruction? Will they say that Sir Cowasji Jehangir, a well known Liberal, is out for obstruction? Will they tell me that the European Group in the Legislative Assembly is out for obstruction? If the answer is in the negative, then I would ask Government seriously to consider whether they are not going on entirely wrong lines and is it not time for them, when they go to the cool climate of Simla, to calmly ponder over all that has happened during the last three months and see if they can change their policy. Now, Sir, I am one of those people who believe that the welfare of this country lies in co-operation; but the Government do not realise what is the true meaning of that co-operation. Does that co-operation mean that whatever the executive decide those people who accept it quietly without even asking the Government to give any reasons or arguments in their support they will be called co-operators, but those who differ from them on any issue on any matter they will be called non-co-operators. That may have been the definition which the Government put on this word co-operation 30 or 40 years ago, but I am sorry they are sadly mistaken if they think that co-operation still means what it meant 30 years ago. What has happened during the last three months is that they have given abundant proofs that they are determined to treat with contempt any demand made by any section of the Legislature or any political party in India.

What happened about this new constitution, Sir? We passed a certain Resolution. There was unanimous opinion in the House that certain minor alterations ought to be made in the India Bill, but the Government told us: No, the Secretary of State is determined that in whatever form the India Bill has been placed before Parliament it shall be passed in that form without even a change of a comma so far as British India is concerned. I challenge the Government to tell me how many alterations or changes they have made in the India Bill since the debate took place in the other House and in this House. If they have not changed even a comma, then I shall conclude that the circumstances in England are such that it is impossible for the present Government to make any alterations? I cannot accept that proposition, because so far as the Indian States are concerned, the attitude of the Government has been entirely different. As you know, Sir, the Princes formulated

certain demands and the Secretary of State immediately announced that he was prepared to accept all the claims made by the Indian Princes. So what does it mean? What change has taken place during the last four years when the first Round Table Conference met? Those Princes who were for the Federation were looked upon with somewhat—I will not use the word “suspicion”, but at least their behaviour was considered doubtful. That was the view which the Government took for some time. But now the case being entirely changed, now any Prince who is reluctant to enter the Federation or who makes certain proposals which they consider may minimise the chances of the Princes coming into the Federation, those Princes are looked upon—

THE HONOURABLE THE PRESIDENT: I think you have said enough on the attitude of Government.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: If you are satisfied and you are convinced, then I will proceed further.

THE HONOURABLE THE PRESIDENT: I said I think you have said enough.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I may tell you that I am not at all anxious to waste the time of the House; more than Members are willing to hear. The moment I think I have said enough I will sit down.

THE HONOURABLE THE PRESIDENT: I do not want you to sit down. All I said was that you have said enough on the attitude of Government. You can now proceed to other points.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The attitude of Government is so hopeless that there are so many things I want to say.

THE HONOURABLE THE PRESIDENT: Then it is useless!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Still, if it will have no immediate effect, I am sure some of them, at least those Members of the Government who are our permanent companions, will at least give more sympathetic consideration to what I am saying. I am not concerned with these new guests.

Take this demand about Karachi firing. We are—

THE HONOURABLE THE PRESIDENT: Does that affect the Finance Bill also?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Most certainly, Sir, because there are nine crores of His Majesty's subjects who hold a particular view on this important question and if the Government refuses to take the same view or at least convince them that their view is wrong, then I think it is perfectly legitimate that when the question of granting supplies to Government comes up, their representatives should make it clear that they want this grievance to be redressed before they can vote supplies.

THE HONOURABLE THE PRESIDENT: It is too remote a link in this Finance Bill.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : If you rule me out I will say nothing, but I have no intention of entering into details. I only wanted to say one thing to Government. The Honourable the Home Member said yesterday that his intention is to convince us that the statement issued by the Bombay Government is correct. Whom has he succeeded in convincing? Has he convinced anybody in this House? Is there any responsible politician in India who has been convinced with that statement except those who are born convinced, I mean the Government of India, or those who have conviction thrust upon them, I mean nominated Members?

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): I must certainly protest against this kind of remark. These things are always levelled against us. We have our own conscience; we vote as we like and we have opposed the Government. This sort of thing must stop. I strongly protest. I am not going to give up my conscience.

THE HONOURABLE THE PRESIDENT : I entirely agree that it is a most reprehensible practice and must stop.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I said "conviction". I never said "conscience". I am sure it is no use taking things too seriously.

THE HONOURABLE SIR DAVID DEVADOSS : It is serious. This is not a play house. This is a serious Chamber.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, I will be the last person to offend anybody. If my Honourable friend thinks that by using that expression I have offended him, I gladly withdraw, because when I am condemning Government for adopting an unreasonable attitude I should not do it myself. Even if my friend is not right, I still withdraw these words to please him.

THE HONOURABLE THE PRESIDENT : Thank you.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : What I was saying was that the Government must realise that whatever action they take, whatever attitude they adopt—

THE HONOURABLE THE PRESIDENT : I appeal to your sense of fairness. Do not forget that Sir Henry Craik is not here. To do now what you are now doing—replying to him—and what you could not do yesterday you are attempting to do now is not fair to the Council and to the Government.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I bow to your ruling, Sir. I hope that whatever little I have said the Honourable Home Secretary who is in charge of this subject so far as the Council of State is concerned will be able to give some reply if he cares; otherwise I may inform him, as he might have seen already, that a meeting of the Mussalman Members of the central Legislature was held the other day and they unanimously decided that if the Government fail to appoint an enquiry committee, the Mussalmans should appoint a non-official committee consisting of both Muhammadans and non-Muhammadans who should report—

THE HONOURABLE THE PRESIDENT : That is quite a different thing; there is nothing to prevent them if they choose to make an enquiry.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I want to tell Government because they said that at Cawnpore they appointed a committee, because so many non-official enquiry committees were appointed and if that is the criterion of appointing an impartial committee, they may take it that many committees will soon be appointed.

Well, I now pass to another point. Now, Sir, Karachi was a big matter—Now let me take a very small question, for instance, one which concerns only my province and my part of the constituency. I would not speak on it at great length but will just make a passing reference to it. A demand was made that an inquiry should be held into the damage caused by the Khewra salt mines to the lands. This demand was carried in the other House and a very large number of non-official Members supported the demand in this House. What was the attitude which the Government has shown towards it. If the Government are determined that the opinion of the Legislature will carry no weight, then certainly, Sir, we can quite understand that view, though we may not agree with it.

Now, before I finish I would just like to make one appeal to the Government. As far as the consideration of the Finance Bill is concerned, my vote entirely depends upon the reply which I get from the Government, whether under the constitution we are allowed to pass any amendment and the Government are prepared to consider it or not. If the answer is in the affirmative, then certainly I am going to vote for it. If the reply is in the negative, then I certainly am not one of those who have no value for their time, and say that we can discuss 55 amendments in this House and at the end of it be told that Government cannot even consider any of these amendments. As far as my attitude on the passing of the Finance Bill is concerned, Sir, I would like to reserve my attitude till the opportunity comes.

THE HONOURABLE KUNWAR JAGDISH PRASAD (Leader of the House) : Sir, I should like to thank Honourable Members for the kindly references which they have made to me. I feel a little embarrassed that without any apprenticeship in the usages and traditions of this House I should find myself suddenly as the Leader of this Honourable Chamber. I can assure Honourable Members that it will be my constant endeavour to retain their goodwill. (Applause.) My Honourable friend, Raja Ghazanfar Ali Khan, asked the Government not to introduce any heat into the debate. I can assure him that I will say nothing which is likely to be provocative or contentious. We have heard both in this House and in another place epithets used against the Government—we have been told that we were wooden, rigid, irresponsible; when feelings have been a little more excited, we have been told that we were digging our own grave, that Nemesis will shortly come upon us. I think, Sir, before I conclude I hope I will be able to convince Honourable Members that Government deserves their sympathetic support and not their condemnation or censure.

Now, Sir, what is the position of the Government of India or of provincial Governments in regard to what are known as the reserved subjects? Here, as was said by my Honourable friend, Mr. Sapru, here is an irremovable Executive faced by an elected majority of the representatives of the people. In these difficult circumstances, as examples from British history have shown, there is nothing to be surprised at in that occasions should arise when the Government and the representatives do not see eye to eye, that occasions of conflict and

[Kunwar Jagdish Prasad.]

deadlock should arise. There is nothing surprising in that. I think what is more surprising really in India is that, in spite of this constitution, so much good work has been done, and there has been so much co-operation between Government and the elected representatives of the people. Now, Sir, I do not think that any Member of the House contends that with this constitution no occasion should ever arise where Government should have to use their emergency powers. I think during the course of the debate here, even my friend Raja Ghazanfar Ali Khan said :

“ We would not have minded if you had certified certain particular items ” (in which I take it, he is not particularly interested), “ What we object to is that you have certified all the items : that is really the gravamen of our charge. We do not dispute your right of certification. We do not dispute that it may be very necessary for you in certain circumstances to certify but what we really feel is that certain taxes we have not agreed to should be certified ”.

Well, Sir, then the question really is no longer one of major constitutional importance. It really is no longer an insult hurled at the representatives of the people. What it resolves itself into is a question of detail. Is a particular tax such that the Government could, considering its commitments, considering its responsibility, or could not let go. And in regard to this particular point, I will, as an instance, take the salt tax. I know that this tax has a political history behind it, extending over more than 30 or 40 years. I know that a certain amount of sentimental value is attached to this tax. Now, Sir, what is the proposition that certain Honourable Members want the Government to adopt? I have been looking at the rate of taxation on salt. I can assure Honourable Members that looking at the figures for the last 50 years, never has the salt tax been reduced to 12 annas a maund. It was for a long time Rs. 2-8-0 a maund ; only for a very very short time was it at the rate of a rupee a maund ; it has been at Rs. 1-4-0 for more than 15 years. Now, a reduction of this kind involves the Government in a recurring loss of nearly three and a quarter crores a year. I gather from the speech of Mr. Gladstone, I gathered from the speeches made in the lower House by the Deputy Leader of the Independent Party, that so far as the salt tax was concerned they would have been prepared to have gone with the Government into the lobby if the Government were only certifying that particular tax. I should like to ask my Honourable friend, Lala Mathura Prasad Mehrotra, and other representatives of the agriculturist interests, if they have really been told by their tenants that this tax presses heavily on them. Have they ever been told that their tenants have never been able to get enough salt to eat? I think the complaints that one hears are that the rent is high or that the price of agricultural produce has gone down. Very elaborate calculations were made in the past as to the average consumption, as to the average incidence of this tax. I will not burden the House with these figures but I understand that the average amount of salt consumed by one person during the year is about six seers. Six seers a year is the average consumption per person and the incidence of this tax comes to about three annas a year. This tax has the great advantage that though the incidence is small, the amount of revenue which it brings into the coffers of the Government is so great that unless there are exceptional circumstances, it is not possible to surrender a revenue of over Rs. 3 crores a year. My Honourable friend the Finance Member pointed out in the lower House that this Government is faced with large commitments. There is to be the separation of Burma. There will be deficit provinces which will require subventions. I ask Honourable Members, “ Were the Government justified or were they not justified in ignoring the vote of the lower House in regard to this tax ? ” I

take it that the general view will be that the Government were perfectly justified, considering the financial situation, in ignoring the vote of the lower House in regard to salt. I will only take another instance. I am giving these illustrations merely to show that circumstanced as we are, it occasionally happens that though we find that reason is on our side, sentiment or some other consideration makes it impossible for the elected Members to go with us. The responsibility is ours and in these circumstances we are perfectly justified in not agreeing to the proposals made by the elected representatives. I now take another item, namely, the export duty on hides. I heard the speech made by a very representative member in the lower House and its purport was that he would have been prepared to vote with Government but that he refused to do so because of a temporary emotion in regard to certain words used by the Honourable the Finance Member, which I understand he never used. Are we to prejudice, as I think we would, the export trade merely because of a vote cast on account of something said during the course of a protracted debate? On those sentimental grounds Government would not be justified in accepting the vote of the lower House. I have taken only these two illustrations. Honourable Members assert that in regard to certain taxes they are in a better position to say whether Government should continue them or not. The position, I take it, of the Honourable Finance Member is that he has to look at the whole of India, not only regionally or sectionally, but at the whole of the interests—what pinches the upper classes and what pinches the lower classes. Looking at the whole, when it comes to making a choice, I think we are justified in saying that we are in a more detached position, that we are better able to judge whether a particular tax should or should not remain in the budget. I quite understand that if we do give up the surcharge, we should have the support not only of the European Group but also of others with large incomes to whom the surcharge no doubt appears to be a most unjustifiable tax. I am not sure that even with the help of such Members Government would have been successful, because I can quite understand that certain other Honourable Members who allege that they are the representatives of the poorer classes would have opposed this proposition. I am quite prepared to admit that certain groups would follow us if we are prepared to remove a tax which pinches them most. I myself, as a landholder, have great sympathy whenever the question arises that land revenue should be reduced. If the land revenue remissions in my province are not as large as landlords would like them to be, there is a very natural feeling of disappointment. I quite sympathise with them. But I hope Honourable Members will also sympathise with us that when we are not able to meet their wishes, it is not from a desire to discard their views. These matters are very carefully considered. I can assure Honourable Members that when the Government of India came to these decisions, they did so with a keen sense of responsibility, fully realising that they would come in for criticism from a large number of people. The reason why they did take this decision was that they found that it was impossible, having regard to their responsibilities, for them to meet the wishes of Honourable Members.

I should like before I conclude to say just one word to Honourable Members. The past record of the Government of India does not in any way justify the charge that they have been irresponsible to public opinion. This is the fifth occasion on which they have found it necessary to bring in a certified Bill. The first was in 1923, the second in 1924, there were two occasions in 1931 and this is the fifth occasion. The point that I wish to bring to the notice of Honourable Members is that it is always dangerous for the proper development of constitutions that you should force Government to make use of their emergency

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powers. You should not force them, into this position. If Honourable Members will not place us in a position where we are obliged, with great reluctance, to use our emergency powers, I am sure the need for these powers will grow less and less. If, on the other hand, situations are being constantly created when it is triumphantly stated that in so many divisions Government suffered crushing defeats, you may thereby be retarding the growth of the Constitution in a direction which both you and we desire. (Applause.)

THE HONOURABLE THE PRESIDENT: I propose now to adjourn the House for as half an hour for tea, I propose sitting this evening till 7 P.M.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I make a request, Sir? As the House will be sitting on the 16th, I beg to ask you, in case Members find it inconvenient to continue today you will be kind enough to defer the proceedings to the 16th. As it is a very important measure many Members would like to speak and it would be very kind of you to allow the discussion to continue on that day. As His Excellency the Viceroy has issued an Ordinance, whether we sit a day or two more is immaterial.

THE HONOURABLE THE PRESIDENT: Today not even half the Members of this House have spoken. Then there is a long list of amendments, and knowing as I do the habit of this House to speak again on amendments at considerable length, I must see that this Bill and the other two Bills are finished before the Easter holidays begin. Meanwhile I will watch the progress made. But I have decided to sit today till 6-30 or 7 P.M.

THE HONOURABLE SIR DAVID DEVADOSS: May I make one suggestion? Some of us would be very thankful to you, Sir, if the whole business could be finished on Wednesday, because Thursday next is Maundy Thursday and I speak on behalf of Christians who would like to have Maundy Thursday a holiday. If the business could be finished on Wednesday we should be very thankful and for that purpose I request that you will sit till late, if necessary after dinner. No doubt it is a strain on you, but still, Sir, I am obliged to make this request because I do not want to be here on Maundy Thursday.

THE HONOURABLE MR. HOSSAIN IMAM: I wish to assure the House that we have every intention of finishing up the work on Wednesday evening, unless there is some attempt to murder time by some irresponsible people!

THE HONOURABLE THE PRESIDENT: You may have every intention, but I have not got a sufficient guarantee! It is my desire to expedite the work in order that the Christian Members of the Council may not suffer in the least. I will see what progress the Bill makes on Tuesday next and, if necessary, I shall hold a night sitting also.

The Council then adjourned for Tea till Five Minutes to Five of the Clock.

The Council re-assembled after Tea at Five Minutes to Five of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Sir, before I begin to speak on the merits of the Finance Bill, I should like first of all to accord my cordial and hearty welcome to the Honourable the Leader of the House on behalf of myself and on behalf of the constituency which I have the honour to represent in this

House. But, Sir, I feel a certain amount of hesitation in extending that cordial welcome to the Honourable the Finance Member, because he, like Winter, comes once a year to pay his annual visit to this Chamber! However, it is my duty still to welcome him in this Honourable House.

Sir, in this House every year we are given the opportunity of only dissecting the Finance Bill, but this year we are asked not even to dissect but to carry the carcase of the Finance Bill to its usual destination, the vaults of the Imperial Secretariat in the Finance Department! The Bill in its recommended and certified form is nothing but a dead horse! To discuss the merits and demerits of this recommended Bill is nothing but a sheer waste of time, in flogging that dead horse, and if we do so it will only show to the world as to how far morally degraded we are. The constitution as it stands is unworkable, was the implied admission of the Honourable the Finance Member in the other House, when a few days back he brought the recommended Bill before that House. I will even say that the present form of administration is not only unworkable but is most hackneyed and is best suited for an antediluvian age and therefore requires changing lock, stock and barrel. The high salaried selfish officers, both British and Indian, under the present Government require to be forthwith replaced by men with lesser pay and imbued with a sense of patriotism and imagination. The existence of an irresponsible executive and the top-heavy administration are the sole causes of widespread discontent in the whole country. The autocratic ways of governance of the country by a foreign executive is bringing the country on the verge of revolution. The inhuman cruelties and reprisals perpetrated by the police and the military in the whole of India and specially in Bengal in the name of law and order are breeding germs of revolution rather than pacifying the country. The benefits of British rule, like the introduction of the system of cheap postage in India, is a thing of the past and is a subject of research for antiquarians! The security of life and property in India established by the Britishers of the 18th century, is ancient history and unknown to the present generations in India! The fair play and British justice on which the British Indian Empire was founded has been replaced by injustice and iniquity in every field of British Indian administration. If illustrations are needed it can be had in abundance from the debates of the last few years on the Finance Bill, in this House and the other. The army in India is a huge mockery in the name of the defence of India. Innumerable British officers and ranks in the Indian Army is only a means for keeping this country under subjection by brute force. Civil Aviation and the Royal Air Force are nothing but necessary adjuncts to this huge machinery of the army for the subjection of the country. The British mercantile marine is nothing but a stone in the same British grinding machine for crushing everything that was best in the field of shipping and the ship building industry in India. English education imparted through universities and schools are only means for sweeping away what was best in Oriental culture and civilisation. Railways under other civilised administrations are national assets whereas in India they are nothing but a means of British exploitation which is helped by manipulation of freights. Extensions of telephonic and telegraphic communications are used in other civilised countries as means for the advancement of material progress of the people whereas in India they are used as subsidiary means of quicker and easier means of exploitation of the masses and for easy spying on the people of this country.

If India had internecine strife and struggle before the advent of British rule, they are none the less in the present century in the form of communal riots fomented by the complete apathy of the foreign administrators in the protection of Indian lives and property.

5 P. M.

[Mr. Jagadish Chandra Banerjee.]

For the abduction of one European girl on the Frontier a few years back the whole of the British Empire was astir to punish the culprits whereas cases of abduction and rape of Indian women are of everyday occurrence under the very nose of the guardians of law and order as no deterrent punishments are provided in the penal laws of the British Indian administration. Administration of justice in British India is tortuous, dilatory and expensive. Examples are not wanting where large estates have been ruined due to dilatoriness in civil courts prolonging civil suits for decades and even for several generations. Public works administration in the country is meant only for enriching a few British officials and firms at the cost of Indian revenues.

Industrial development in India means the progress and development of British industries and manufacturers at the cost of indigenous industries and manufacturers.

Trade conventions and agreements in this country means one-sided agreements for the advantage of only the British industrialists and capitalists either within the country or outside.

Sir, if these are the advantages of the present administration in the country, I for one do not see any reason why any Indian with a grain of self-respect would vote supplies for wasting our resources for the advantages of a foreign Government. The other House did the only thing possible, *viz.*, the rejection of the recommended Bill and by doing so they have raised the prestige and the fair name of India in the eyes of the world.

Before I conclude I wish to make it clear that the Bill in its recommended form has been placed in this House for being passed in its original form. I do not know why some of my friends are eager to move amendments to this recommended Bill knowing full well the fate of such amendments, even if by chance any one of them is passed by this House. The House as it is constituted is only meant to clear the refuse of the Government and to get the abuses of the public.

THE HONOURABLE THE PRESIDENT: And yet you choose to be a member of this House.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: According to the constitution we are perfectly within our rights to come and wake up Government to its responsibility. There are still many renowned and greater men than myself in my province. No doubt I come from a distance, but let this distant and clear voice rouse Government from its slumber!

This year the Government has brought the Finance Bill with a gun levelled at us, dictating to us not only to clear the refuse thrown into this dustbin of the Council of State, but also to clear the refuse in the way recommended by the Governor General. In the circumstances I do not think there is any utility in taking part in the mockery of a discussion of the Bill at any stage. Before I resume my seat I wish to put only my emphatic protest against the Motion for taking into consideration the Bill in its recommended form.

THE HONOURABLE SIR JAMES GRIGG (Finance Member): Sir, I feel myself a little out of place in the august air of this upper Chamber. Its peaceful atmosphere rather cramps the style of one who has been more used to the rough and tumble of the lower House. It is true that there was one carefully composed study in superiority and provocativeness, but even that was unable

to disturb the general air of friendliness. But although the air is different, in substance the debate covers very much the same ground as it did in the lower House. Of course, Karachi came in, which did not appear in the lower House, and also a good deal of indignation over the circumstances in which the Finance Bill reaches this Chamber. With that indignation I have a certain amount of sympathy, and on that, apart from the speeches made by the Honourable the Leaders of both Houses this morning, I only wish to add that I was only very partially responsible for the form in which and the time at which the Finance Bill reached the Council of State.

As I said just now, although the atmosphere was different, the arguments used cover very much the same ground. In particular Mr. Sapru's speech was a very faithful echo of the speeches delivered by Mr. Satyansurti in the lower House. He also has learned the art, or is trying to learn the art of having it both ways. He first suggested that the surplus from last year should be carried over and used for the reduction of taxation in the current year. Well, leaving out of account the somewhat vital fact that the lower House allocated all but a very small part of the surplus and allocated it definitely and finally so that there was no surplus available to carry forward—leaving out of account that, the principle which he seeks to uphold of bringing a surplus forward from one year to justify a reduction of taxation in the next is a very vicious principle. If the House will pardon me, I will traverse a little of the ground which I had to traverse in dealing with this matter in another place. The strict theory of budgetary finance requires that reductions of taxation in any year shall only take place to the extent that a surplus emerges in that year and emerges in such a way that you can confidently predict that that surplus will be there for at least as far ahead as one can foresee. In other words, in order to justify a reduction of taxation you must be able to see that the finances of the current year and of several years ahead provide sufficient margin for that reduction. It is perfectly true that there is one admitted exception and that is that if in any year you are dealing with a non-recurring short-fall, you are justified in trying to fill it up by a non-recurring windfall. But that is certainly not the case here and that is why even if the lower House had not allocated the whole of the surplus or even if the lower House had not allocated the whole of the surplus for 1934-35 it would have been illegitimate to bring forward the surplus of that year and to use it for tax reduction in this current year.

Well, that line of argument is closed. But that does not matter. Even if that is ruled out there is another line of argument which will serve their purpose equally well and of course their purpose is merely to complain that the policy of the Government is insufficiently generous and that there is lots of money to give away and in other words to outbid the Government who is responsible for these things in a campaign of tax reduction. This other line of argument is that there has been underestimating of the revenue for the current year. The more charitable say that the underestimating is due to incompetence but the more uncharitable say that it is a deliberate act of policy. Well, I dealt with this argument in the lower House too. The main ground for accusing me of underestimating the revenue for the current year was the present circumstances of the sugar industry, and on this I said that the circumstances of the sugar industry, which anyhow is a new industry in this country, on its present scale and its present form, are not sufficiently stabilised to justify dogmatic certitude in the matter of estimating anyway, but even supposing that in that matter there was an overestimate, I said that the estimates over the rest of the field were based

[Sir James Grigg.]

on the continuance of the improvement in trade which had set in about the middle of last year and the continuance on a very substantial scale. But conditions in Europe and in the rest of the world did not at present justify any optimistic assumption that the improvement would continue on that scale and that if one had to draw up the estimates of revenue for the rest of the field in the light of the present-day circumstances instead of in the light of circumstances of two months ago, one would be very much inclined to write them down and play for safety. Taking everything into account, it certainly cannot be contended for one moment that there is any deliberate underestimating in the revenue estimates for this year and for my part I am not prepared to admit that there is any—shall we say, incompetence or any very obvious incompetence in estimating? So that both of Mr. Sapru's devices have disappeared. Then what does it mean? It boils down to this, that the Legislature made a large number of amendments to the Finance Bill, ranging in cost from Rs. 6 lakhs to Rs. 325 lakhs. Now, what is Government going to do about a situation like this? Obviously, if the revenue situation is as I have said, as I seriously believe it to be, the Government can only take the very cheap amendments.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Adjust your expenditure accordingly.

THE HONOURABLE SIR JAMES GRIGG : Adjust your expenditure accordingly. I imagine in order to arrive at that you would cancel the restoration of the pay cut. Well, as I pointed out in the lower House it is all very well to talk about the restoration of the pay cut as if it were a restoration of salaries only to the higher officials under the control of the Secretary of State. It covers a large number of much lower paid officials and I am willing to take a small bet with any of my Honourable friends opposite that if they were Chancellor of the Exchequer of a democratic Government they would not have come down to the House with a proposal to disregard the pledges which had been given in respect of the pay of their own services in this House. I am absolutely certain they would not. It is all very well to create a bogey of the higher officials. They are fair game obviously for any Assembly. But it is not fair to ignore the fact that a very large part of the pay cut goes to people in other categories whose interests and claims are continually being advanced by individual Members in both Houses.

THE HONOURABLE MR. P. N. SAPRU : Try alternative sources of revenue.

THE HONOURABLE SIR JAMES GRIGG : An alternative source of revenue was suggested in the lower House. It was suggested by one Honourable Member that income-tax should be raised in the higher reaches. That would not suit my friends of the European Group, would it? They would not agree to that. Another source of revenue suggested was that there should be an export duty on gold. I dealt with it at some length in a debate in another place, and for my part, I am quite clear that the incidence of an export duty on gold is on the ultimate seller, who is as a rule the poorer person who has small stocks of gold.

THE HONOURABLE MR. HOSSAIN IMAM : Is it distress gold then?

THE HONOURABLE SIR JAMES GRIGG : To the extent that it is distress gold, the export duty would fall on the distressed. Government will not stand for that.

THE HONOURABLE MR. HOSSAIN IMAM : Is it distress gold?

THE HONOURABLE SIR JAMES GRIGG : It is a matter of opinion. The Honourable Member has his opinion : I have mine—

THE HONOURABLE MR. HOSSAIN IMAM : The Treasury has always denied it.

THE HONOURABLE SIR JAMES GRIGG : I hold mine perhaps a little less confidently than he holds his. Let me get back to my argument.

Another suggestion for finding this Rs. 4 or Rs. 5 crores is to reduce the army. You cannot do that at a moment's notice. These decisions have got to be put into operation at once if they are to give you any benefit, and they should be immediately effective. There is no good supposing that by a mere *ukase* you can produce reductions of expenditure or alternative sources of taxation to fill up the hole which the Legislative Assembly made in the budget in the course of their consideration of it. You therefore come back to the position that the state of our finances are such that we were precluded from accepting anything but the cheapest of these amendments. The only two cheap amendments were the ones relating to book packets and the one *tola* letter. These relate to postal rates. They are not in the interests of the poorest of the poor for whom some Honourable Members claim to speak. But even supposing that we can meet the cost of these two amendments, we shall be writing up the estimates by Rs. 6 lakhs *plus* Rs. 16 lakhs, not on any ascertained facts or even on any likely facts, but merely on hopes. Even supposing you can do that and you provide enough margin on the general budget to pay for these two concessions, that does not dispose of the question. There is already in the estimates for this year a deficit of about Rs. 13 or Rs. 14 lakhs on the Post and Telegraph service. To give these two concessions would increase that deficit to Rs. 30 or Rs. 40 lakhs. In other words, we will get back to the very vicious system whereby the general taxpayer will be subsidising a public utility service, which is intended to be carried on on a commercial basis. That, in my view, and in the repeated declarations of Government, is an absolutely vicious principle for which Government will not stand.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : That deficit is due to the high rates of postage.

THE HONOURABLE SIR JAMES GRIGG : That is a matter of assertion and not of any very rational opinion.

Over the rest of the field of amendments, each of them would cost at least half a core and Government could not choose any of those amendments, in order to placate the Assembly, quite apart from any question as to which of the amendments was likely to be in the public interest. The cheap amendments, even if you admit it is possible to accept them, are not of any very recognisable service to the poorer classes in the country, and also, the acceptance of them would have necessitated the re-introduction of the vicious principle that a commercial service should be carried on at a heavy loss and at the expense of the general taxpayer. I maintain that the dilemma being what it was, there was a very good case for the Government taking the line it did and asking the Legislature to accept the Bill in its original form. So much for the general question of policy which has been discussed in this House.

I now come to one or two points of important detail that have been raised in this general discussion. First of all, there is the question of planned economy.

[Sir James Grigg.]

Obviously, I cannot go into that at very great length, because every third book which is written in these modern days deals with planned economy. It is very surprising that with the multitude of books, the world is not in a much better state than it is or rather it is not very surprising to one who takes rather acynical view. I have listened and read a good deal about planned economy for this country, and as far as I can make out, it does not mean very much more than hordes of officials engaged in unproductive work such as collecting statistics, sitting at their desks, thinking, and giving advice to other people as to how to run their own business. For instance, a suggestion was made in the lower House that a very large number of crores should be borrowed and spent on sending out young men from the towns into the villages to teach villagers agriculture. As I say, all these plans involve a great many officers collecting statistics, thinking, giving advice and not doing very much except draw their salaries. The second main constituent in this planned economy business is vast wasteful and unproductive expenditure paid for from borrowed money.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Better abolish the Statistical Department then, in case you find it not useful.

THE HONOURABLE SIR JAMES GRIGG : I do not think that necessarily follows at all. Obviously, every Government must have a certain minimum of statistics. What I do say is that Government's resources are not very strongly developed and so they have got to count the cost of any new statistics very carefully and also to judge of their usefulness. That is the only moral I draw from it. Of course, I am talking of other people's plans, not mine.

Another constituent in this planned economy business is large loans to be spent on capital works irrespective of the question whether they yield any return or not. That really is—I am sorry to point out that it is an elementary fact—nothing more or less than an inflationary device, and we saw the results of such an inflationary device in the case of Germany and Austria in 1923. I have read a good deal of literature on subjects like this and have seen a good many economic plans advocated. I am extremely sceptical about them all. You really cannot point to any country in the world where economic planning has been an unmeasured success.

THE HONOURABLE MR. HOSSAIN IMAM : What about Russia ?

THE HONOURABLE SIR JAMES GRIGG : I thought you would come to Russia. The latest books on Russia are extremely sceptical about it. They say that the progress made has been extremely disappointing and they show that there has been a limited return to capitalism.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The first five-year plan was a great success.

THE HONOURABLE SIR JAMES GRIGG : Their first five-year plan produced a very small fraction of the results which it was expected to produce. If the House will allow me and will bear with me for a little I think I can find a quotation that I used in the lower House.

"The success of the Five-Years Plan has been of a very meagre and doubtful character. Even in evaluating the considerable expansion of heavy industry it has to be remembered that Russia is still a young country industrially, and that progress under such conditions is easy. In a great many industries, on the other hand, no progress has been made".

"While the authors of the Five-Year Plan expected to increase the productivity of labour by no less than 110 per cent, actually, however, hardly any improvement took place".

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Is the Honourable Member entitled to quote his speech in the other House ?

THE HONOURABLE THE PRESIDENT : He is giving a quotation from a book.

THE HONOURABLE SIR JAMES GRIGG : I am quoting from a document which I quoted in the other place. Surely I am entitled to quote from the same authority ?

"The result of the Plan on the agricultural side is to be judged from the fact that 'Russia is now no longer in possession of grain surpluses for shipment abroad'. While, before the war, the grain exported amounted in value to nearly half her exports. The crops harvested per unit of land have fallen off considerably and the decline of livestock breeding threatens Russian agriculture from another direction".

There is your Russian experiment.

THE HONOURABLE THE PRESIDENT : I may say also that part of the success of the first Five-Year Plan was due to the assistance received from slave labour.

THE HONOURABLE MR. HOSSAIN IMAM : What is the date of the debate from which you quoted ?

THE HONOURABLE SIR JAMES GRIGG : The 25th March.

Well, leaving out of account Russia, the other prominent examples of economic planning are of course the United States and Italy and Germany. Now, are Honourable Members opposite prepared to say that those three countries are in such a happy position that they would like to be in the same position ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What is their position ?

THE HONOURABLE SIR JAMES GRIGG : That is a very long story. I suppose innumerable books have been written about that. What I am bound to say is that I do not see in the case of these other countries any great hope in economic planning in that sense for India. I mean in grandiose and revolutionary planning and inflation. Of course, there is a good deal of vagueness about any planning and inflation. As I said, I have read a great deal about it in various books, but I am bound to say that I do not find in them any very real guidance. I am continually having quoted against me a book by Sir M. Visvesvaraya, but I have looked I am sorry to say that I have not yet had time to read it fully; but I have looked at the chapter in which he summarises his conclusions. If I do him an injustice I am prepared to apologise, but in so far as I could see the essential elements of his plan are something like this. The foreign—in which designation he includes British—commercial interests in this country are to be bought out for a payment, I think, of Rs. 10 crores a year for 20 years. I suppose at a guess that is worth about Rs. 120 crores on present value. I forget what the exact value of the foreign commercial interests in this country has been computed to be, but I seem to recollect a figure of something like Rs. 1,000 crores. His first plan is to buy Rs. 1,000 crores worth of interest for Rs. 120 crores.

[Sir James Grigg.]

This is economic planning ! His next plan is to transfer the whole responsibility for the defence of India to India inside 15 years. His third plan is, inside of 10 years, to transfer half the rural population into industrial occupations. Now, I wonder whether the House realises what that means. He is going to transfer the rural population into towns and factories at the rate of 15 millions a year. That is, I suppose, the purpose of this beautiful Rs. 500 crore loan which he talks about. Another element in this economic plan is that you should have a large number of economic councils consisting of all sorts of interests, and I should think that by the time all the interests are represented the Economic Advisory Council would about fill the Albert Hall. And these councils every three months are to issue advice to the industrialists and to the people of India how to run their affairs. Well, you may call that a Ten-Year Plan if you like. The author calls it a Ten-Year Plan, but it looks to me rather like Utopia with no basis of reality whatever.

Then one of the Honourable Members from Bombay raised a point which had a good deal of substance. He deplored that the financial condition of India should be such that there was a budget balance at the centre and deficits in most of the provinces. Sir, Government is very conscious of this anomaly and deplores it, and quite clearly it makes the inception of provincial autonomy considerably more difficult. But that problem is with us anyhow and it has got to be solved and solved in the way laid down by the Government of India Bill, in the last resort by subventions to permanently deficit provinces. In any case the system of finance contemplated in the Government of India Bill does intend that there shall be at some time or other a transfer from the centre to the provinces of sources of revenue, which will not only enable provinces to balance their budgets but to provide them with resources for nation-building services. That problem is there and it is one to which Government are giving their special attention. Beyond that it is quite impossible to say anything at the moment.

THE HONOURABLE MR. HOSSAIN IMAM : Are not these difficulties due to the restoration of the salary cut ?

THE HONOURABLE SIR JAMES GRIGG : Obviously that has its effect on the provincial finances just as it has its effect on the central finances.

The same Honourable Member raised a question about the sales of silver and he seemed to think that we were getting rid of silver which would be ultimately necessary for the currency system of this country. As I have pointed out in another place, the Reserve Bank has taken over from Government Rs. 50 crores of silver, nominal value, and Government have left in their own reserves something over Rs. 40 crores of silver. So there is available enough silver for Rs. 90 crores of coinage, and that seems to me to be a figure beyond any possible or likely demand as far as one can see. In the very violently inflationary period between 1915 and 1919 the total absorption of silver coinage was only Rs. 42 crores for the four years, which is less than half the reserves now in India ; and in the two years following the break in the inflationary boom Rs. 36 crores of that came back.

THE HONOURABLE MR. HOSSAIN IMAM : Do you propose to sell Rs. 12 crores this year ?

THE HONOURABLE SIR JAMES GRIGG : I am not going to make any statement on that. I must have notice of that.

THE HONOURABLE MR. HOSSAIN IMAM : That is in the Explanatory Memorandum of the Finance Secretary.

THE HONOURABLE SIR JAMES GRIGG : Rs. 30 crores of silver ?

THE HONOURABLE MR. HOSSAIN IMAM : About 12 crores of silver rupees.

THE HONOURABLE SIR JAMES GRIGG : That does not arise on this particular question. Even so, during one of the most violently inflationary booms in history the total absorption of coinage in four years was Rs. 42 crores and of that Rs. 36 crores came back in the following two years.

Another question which was raised and is always pushing its head up is the question of ratio. It really is like King Charles' head with Mr. Dick in *David Copperfield*. When in doubt talk about the ratio ! It will take too long to enter into any abstruse and abstract discussion about the ratio—

THE HONOURABLE MR. HOSSAIN IMAM : Have practical discussions.

THE HONOURABLE SIR JAMES GRIGG—and about the practical results. But for my part I am quite sure that the maintenance of the present ratio is best calculated to serve the interests of India and in particular—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What has the maintenance of the ratio cost ?

THE HONOURABLE SIR JAMES GRIGG : May I finish my speech in my own way ? The Honourable Member can make his speech and he will have the advantage of speaking after me.

I am quite sure that the preservation of the present ratio is the best calculated to serve the interests of India and in particular to serve the agriculturists of this country and the maintenance of the present ratio is the policy of the Government of India.

There are three objects, Sir, which the financial and budgetary policy of the Government have to see to. The first is to provide funds for economic development where it can be shown to be in the interests of the country ; in other words, where it can be shown to pay ; or in other words again—where it can be shown to be rural economic development and not political hot air. The second is the reduction of taxation, primarily the emergency taxation, and the third is the preparation for the handing over of resources to the provinces at the inception of provincial autonomy. Now, I maintain that the present budget reconciles those objects, which are to some extent conflicting, to the greatest extent possible and in the best interests of the country. As far as economic development is concerned, we have increased the sum allocated that by utilising a non-recurring surplus and the objects of this developmental expenditure have got a very definitely rural bias. Then we have reduced surcharges on income-tax not to as great an extent as Honourable Members in the European Group or in other parts of the House would desire but to the maximum extent that seemed to be justified by our resources and to the maximum extent consistent with the prior pledges of the Government of India in previous years ; and for the third object, that of preparing for providing resources for the provinces in the future, it is sought to attain that object by refraining from any wild overestimating or any other open or concealed methods

[Sir James Grigg.]

of budgeting for a deficit with all the disastrous results on India's credit and ultimate financial position.

Sir, that is all I have to say on the debate which has taken place today. I am very grateful to this House for its atmosphere of Sabbatical calm and for the patience with which it has listened to me.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Honourable the Finance Member be kind enough to come here on Tuesday next to hear the observations of other Members and in case any Member demands any reply he may be kind enough to reply?

THE HONOURABLE SIR JAMES GRIGG: I should like very much to accept the Honourable Member's invitation, but unfortunately I have to leave Delhi this evening. I am very sorry. If the Honourable Member likes to make his observations now, I shall be delighted to listen to them.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces: Nominated Non-Official): Sir, we have, under our present constitution, two sides to the budget; one is expenditure and the other is income, and under the present constitution the expenditure side is discussed first and voted upon in the other House before the Finance Bill is taken up. This House is precluded from voting upon the expenditure side. This being the case it leaves us in a very bad position; this House finds itself in a most awkward position to justify its action in any other manner. The other House has got the right to vote upon expenditure and they scrutinise each and every item which is placed before them. This time when the expenditure was placed before them, the other House saw its way to waste time mostly in discussing questions of policy rather than going into the merits of the budget—

THE HONOURABLE THE PRESIDENT: Order, order. I would ask the Honourable Member not to make any reflections on the other House.

THE HONOURABLE MR. HOSSAIN IMAM: We are not discussing the budget!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I suppose it is the President's duty but it is not the duty of my Honourable friend to point out to me what I should speak on. I know more than my Honourable friend knows! I am asking what is the position of this House when the budget on the expenditure side, with which we are not concerned, has been passed by half of the Legislature, that is, the other House which has got full control over that?

(The Honourable Mr. Hossain Imam rose to interrupt.)

If the Honourable Member would like me to interrupt him every time he speaks I will do so if he sets this example to me.

THE HONOURABLE MR. HOSSAIN IMAM: With pleasure.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: We find that this House is confronted with two sides, one the expenditure side which has been voted upon and the other side, with which we are concerned is, what supplies should be granted to the Government to meet that expenditure? This House, being a revising Chamber, feels its responsibility and its duty is

to act responsively in all matters. If this House finds that the action of the other House was justified in refusing certain grants of expenditure and simultaneously that House reduced the income also, then this House has to carefully see whether that is balancing or whether it is not balancing. If we find that a certain amount has been already sanctioned to be spent and the Governor General is asked to meet those expenses which he can only meet by getting the income also which is part of the budget, then this House has got only one thing to do and to act responsively, whether we will be justified in refusing the grants of supplies or not.

THE HONOURABLE MR. HOSSAIN IMAM: Do you mean that the lower House has voted all the expenditure?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Sir, I had the honour to sit in the other House and I do not see why the other House is constantly called the lower House.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of information, Sir.

THE HONOURABLE THE PRESIDENT: No, I will not allow Honourable Members to interrupt. You will have an opportunity to speak. I have noticed during the last few days that whenever Mr. Yamin Khan gets up to speak he is systematically interrupted.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Now, Sir, when we have found that this House can fulfil its responsibility in one manner, should we cut down the supplies and leave the Governor General to meet his expenditure by some method other than that of taxation? If we cannot do that, then we should feel that we should have to vote the supplies, at least to the extent for which the expenditure has been sanctioned by the House which had the power to sanction that expenditure. We find that the expenditure at present is to the same amount as is covered by the Finance Bill. If the other House had taken pains to go thoroughly into the matter they could have cut down item by item where they found that the Government had been extravagant in certain expenditure. It was their duty and not ours: we can only discuss in a general debate, point out generally where the Government was wrong, but we had no power to stop any expenditure. That was the duty of the other side. And we find that, after fully scrutinising, after going thoroughly into these items they have placed before us, we are confronted with the fact that this expenditure has to be met. Now, as responsible persons, Sir, we have to show that we must in all fairness grant the supplies to the Governor General in Council to meet all those expenses which can be done by supporting the Finance Bill which is the other part of the budget. If Rs. 3½ crores are cut down for the salt duty or the surcharge and supertax, well these demands for grants fall short and which of them will the House ask the Governor General not to spend for? We must see this. We have got certain items put down like rural uplift and other questions of sanitary improvement. These things will have to be closed down or the Governor General will have to borrow, which nobody would like. Here we have paid compliments to the Finance Member and to the Finance Department for balancing their budget. How is this budget balanced? The budget can be balanced only, Sir, when all the items in the Finance Bill are approved and passed by this House. If the items are cut down from the Finance Bill, then the budget becomes a deficit budget, not a balanced budget.

[Mr. Mohammad Yamin Khan.]

The item of the expenditure you are showing but the income you are cutting down. Then all those compliments must be taken back which you have paid to the Finance Department. If we were responsible, Sir, in doing this, then I do not see how we can go behind what we have been saying only a few days ago in this House? Our position, Sir, is simply as a revising Chamber. Undoubtedly we have power to vote on the Finance Bill on the income side, but we have no control on the expenditure side. If the Honourable Members had complained about why should we not have the power going into the expenditure side as we have going into the income side, then certainly there would have been some justification. But, under the present constitution, when we have agreed to come up and work under the present constitution and we will have to go on until this constitution is changed, we will have to work according to that and that constitution does not give us any power of voting on that side. The only power we can exercise is to check any excesses in action of the Government. It may be that sometimes the other House fails because some Members of the other House take wrong action. Well, they are not willing to take that action but simply to demonstrate some other grievance they have to adopt that course. Is this House going to support that action? I will ask my Honourable friend of the European Group who is sitting here? We found that all the Members of the European Group had agreed to the salt tax in the other House at one stage but when the Bill came as a recommended Bill then the Members of the European Group did not vote with the Government. Why, Sir? Simply to protest against some other item on which they were not in agreement with the Government. Well, they made it perfectly clear that they would have passed the salt tax but they justified their action in remaining neutral on the ground that they wished to register a protest against certain other items. Now, Sir, that may have been a full justification for one group in the other House. But is that going to be the justification for the Honourable Members of this House, the duty of which is to revise the actions of the other House? Are we as the revising people going to be led simply by those who want to demonstrate certain actions? No, Sir. Our duty is simple and plain,—that if we find that in order to justify or demonstrate certain grievances a certain action has been taken, which action is really not warranted on the merits, we have to rectify the mistake which has been made. I see my duty from this point of view. I do not say that Honourable Members will agree with me. But I feel that that is the justification of this House which the Honourable Members of the House are accustomed to call the upper House. If it is a revising House, then our duty becomes quite plain. We have got nothing to do. We are not going to be led by the excitement on account of certain grievances in the other House. We have to realise our duty and sit like judges and see whether an action is warranted or not warranted on its merits. As I have pointed out before, Sir, there is only one question before us and that question alone can make our actions be our guide, and that question is, Sir, that the other House has voted certain expenditure, and that expenditure ought to be met by the revenues, which revenues must be found through this Finance Bill and we have to sanction that so that the Governor General should not be made to certify and use his extraordinary powers, but we also must show that we are responsible and we have to take it. Our position would have been different, Sir, if a huge amount of expenditure had been cut down by the other House, the House of Representatives, which had the full voice in going through the expenditure and not we. We would have thought that these gentlemen had exercised their full discretion in cutting down the expenditure and now the Government is restoring the expenditure as well as the income. Then we

would have judged whether the action of the Government was right or wrong. And if we had found that the action of the Government was wrong we would have come to check it. But now we find that there is only justification for the Government to come and ask for all the supplies that they wanted in order to meet all the expenditure that has been sanctioned and I think that this House would be well advised to proceed in the most responsible manner and not say, as some Honourable Members indulge in saying, that we are going to show our resentment and that we shall not have anything to do with the Finance Bill. That resentment is not meant for this House. That is meant for the other House to demonstrate the popular feeling. This House is not meant for the demonstration of public feeling but to revise the action of the other House and to see whether it is justifiable or not. Under these circumstances —

THE HONOURABLE MR. G. S. KHAPARDE: Will you kindly refer to any book or pamphlet in which this constitutional doctrine which you have been laying down has been propounded?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My Honourable friend has been in the Legislature much longer than I have. It was my good fortune to read some of his speeches in the defunct old Legislative Council when I had nothing to do with the Legislature.

THE HONOURABLE THE PRESIDENT: You need not trouble to reply.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: He ought to know it. If he reads how this House came into existence, he will know it without my telling him.

THE HONOURABLE MR. G. S. KHAPARDE: I only wanted to know if there is any book on the subject?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I hope my Honourable friend will also proceed on this basis.

I think, Sir, we must support this Bill as it has come to us, and pass it. The power which His Excellency the Governor General has exercised under the circumstances is perfectly constitutional and is amply justified. I would, however, like that Government should agree to certain amendments which Honourable Members are proposing if they find that they can reduce some items on the expenditure side in order to meet the amendments which may be put forward by my Honourable friends.

With this exception, Sir, and with these words, I support the Motion for consideration that has been moved.

THE HONOURABLE THE PRESIDENT: As some Honourable Members desire to go to their homes to spend the Sri Rama Navami holidays, I will adjourn the Council at this stage, but I must inform Honourable Members

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[Mr. President.]

that I am determined that the Bill should be finished on Tuesday next and, if necessary, there will be a night sitting that day.

THE HONOURABLE RAI BAHADUR LAIA RAM SARAN DAS: Thank you very much, Sir.

The Council then adjourned till Eleven of the Clock on Tuesday, the 16th April, 1935.

COUNCIL OF STATE.

Tuesday, 16th April, 1935.

The Council met in the Council Chamber of the Council House at Eleven of the Clock; the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

QUANTITY OF SILVER PURCHASED SINCE 1915.

120. THE HONOURABLE MR. SHANTIDAS ASKURAN: Will Government be pleased to state:

(a) The quantity of silver purchased by them during the last 20 years, that is, from 1915 up to the current year, year by year?

(b) The average rupee value per hundred tolas of silver so purchased?

(c) The quantity of silver sold by Government during the same period year by year?

(d) The average rupee value per hundred tolas of silver so sold?

(e) The total approximate quantity of silver bought and sold, and the effect of these transactions, either as profit or loss to Government?

THE HONOURABLE MR. HOSSAIN IMAM: I have been asked by the Honourable Mr. Askuran to ask this question on his behalf.

THE HONOURABLE THE PRESIDENT: Yes, I have seen his telegram.

THE HONOURABLE MR. P. C. TALLENTS: The Honourable Member whose name is down against this question especially asked that I should reply to this question in Simla. The information is being collected.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Hossain Imam has just shown me the telegram asking him to ask the question.

THE HONOURABLE MR. P. C. TALLENTS: The information is being collected.

THE HONOURABLE MR. HOSSAIN IMAM: And it will be placed on the table of the House?

THE HONOURABLE MR. P. C. TALLENTS: Yes, Sir, in due course.

TRANSFER OF INDIAN MEDICAL SERVICE OFFICERS TO THE PRESIDENCY OF BENGAL.

121. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: (1) Will Government be pleased to state:

(a) The names of Indian Medical Service officers transferred to civil employ in the Bengal presidency during the last five years?

(b) The number of them who are natives of Bengal?

(c) The number of them who are natives of the Punjab?

(d) The number of them who are classed as officers liable to immediate recall to military duty?

(2) Is it a fact that officers who do not know the language of the province and have no experience of its conditions are being transferred to the province in preference to Bengalis who are in the Indian Medical Service?

(3) Do Government propose to post as far as possible Bengal men to the Indian Medical Service in the Bengal presidency?

THE HONOURABLE KUNWAR JAGDISH PRASAD: (1) (a) A statement is laid on the table.

(b) Two.

(c) Two.

(d) Five.

(2) and (3). The Indian Medical Service is an All-India Service and officers are posted to provinces according to the exigencies of service irrespective of their domicile.

The following Indian Medical Service officers were transferred to civil employ in the presidency of Bengal during the years 1930 to 1934:

1. Major S. L. Patney.
2. Lieutenant-Colonel M. Das.
3. Captain J. C. Drummond.
4. Captain R. Linton.
5. Captain G. B. W. Fisher.
6. Captain E. G. Montgomery.
7. Captain K. S. Fitch.
8. Major S. Nag.
9. Captain F. H. A. I. Davidson.
10. Lieutenant-Colonel F. J. Anderson.
11. Major J. R. Katariya.
12. Lieutenant-Colonel N. B. Mehta.
13. Major-General D. P. Goil.

NUMBER OF INDIAN OFFICERS AND INDIAN OTHER RANKS PLACED ON THE PENSION LIST AFTER THE GREAT WAR.

122. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: (1) Will Government be pleased to state:—

(a) The number of Indian soldiers including Indian officers who were on the pension list just after the Great War?

(b) The number of men who are annually pensioned off each year including Indian officers from the Indian Army?

(c) The number of Indian soldiers including Indian officers who are on the pension establishment on the 1st January, 1935?

(2) What is the annual wastage in the ranks of the Indian Army?

THE HONOURABLE MR. M. G. HALLETT: I ask your permission, Sir, to answer questions Nos. 122 to 124 and 128 in the absence of His Excellency the Commander-in-Chief.

(1) (a) The information is not readily available and its collection would entail an amount of labour out of proportion to its value.

(b) and (c). The information is being collected and will be supplied to the Honourable Member when received.

(2) The average annual intake of combatant recruits into the Indian Army during the past three years was 17,124.

THE HONOURABLE MR. HOSSAIN IMAM: May I request the Honourable Member to lay the answer on the table of the House because it concerns a matter in which all of us are interested?

THE HONOURABLE MR. M. G. HALLETT: I presume that will be done, Sir.

NUMBER OF BRITISH OFFICERS HOLDING THE KING'S COMMISSION IN THE INDIAN ARMY FROM 1923 TO 1934.

123. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Will Government be pleased to state the strength of the British element of the King's Commissioned officers in the Indian Army for each year of the period 1923 to 1934, and the number of those who (i) retired, (ii) were discharged, (iii) were removed, (iv) were pensioned during this period?

THE HONOURABLE MR. M. G. HALLETT: I lay on the table a statement showing the number of King's Commissioned British officers in the Indian Army from 1923 to 1934.

The information asked for in the second part of the question is not readily available and to collect it would entail an amount of time and labour out of proportion to its value. Moreover owing to the large reductions that have had to be made since the war, in order to prevent the occurrence of surpluses in particular ranks, the information would to some extent be misleading.

Statement showing the number of King's Commissioned British officers in the Indian Army from 1923 to 1934.

Year.	No.
1923	3,470
1924	3,200
1925	3,157
1926	3,081
1927	3,106
1928	3,116
1929	3,044
1930	3,058
1931	2,939
1932	2,874
1933	2,853
1934	2,813

VOCATIONAL TRAINING OF INDIAN SOLDIERS WITH A VIEW TO EMPLOYMENT AFTER DISCHARGE.

124. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Will Government be pleased to state whether there is any arrangement to train Indian soldiers in a tradesman's job with a view to equip them to usefully employ themselves when they leave the army?

THE HONOURABLE MR. M. G. HALLETT: I would refer the Honourable Member to the answer given on the 12th April, 1934, to his question No. 124.

COST OF THE TEMPORARY AIR-CONDITIONING PLANT IN THE LEGISLATIVE ASSEMBLY CHAMBER, NEW DELHI.

125. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Will Government be pleased to state the amount that has been spent in making the Assembly Chamber air cooled? Has the new thermostatic arrangement reduced the temperature inside the Chamber? Do Government propose to instal a similar plant in the Council of State Chamber?

THE HONOURABLE MR. D. G. MITCHELL: The estimated cost of the installation of a temporary air-conditioning plant in the Assembly Chamber at New Delhi was Rs. 19,000. The actual cost is not yet known. I understand that as a result of this installation the temperature of the Chamber has been appreciably lowered. Government have not considered the question of installing a similar plant in the Council of State Chamber and are unable to give any undertaking on the subject.

THE HONOURABLE MR. BIJAY KUMAR BASU: Does the Government consider that this Chamber is not warm enough?

THE HONOURABLE MR. D. G. MITCHELL: I think the Honourable Members will admit that the atmosphere of this Chamber is considerably cooler than that of the other.

APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN OF VARIOUS PORT TRUSTS.

126. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Will Government be pleased to state whether there is any bar to the appointment of an Indian to be the Chairman or Vice-Chairman of a Port Trust? Has either of these posts been filled even temporarily by an Indian? Have there been repeated demands by public bodies for the opening of these posts to Indians?

THE HONOURABLE MR. T. A. STEWART: There is no bar to the appointment of an Indian as Chairman or Vice-Chairman of a Port Trust. Information whether these posts have ever been filled by an Indian is being obtained and will be supplied to the Honourable Member as soon as possible. Representations have been received from certain public bodies regarding the appointment of Indians to these posts.

THE HONOURABLE MR. BIJAY KUMAR BASU: Will the information be laid on the table?

THE HONOURABLE MR. T. A. STEWART: Yes, Sir.

NUMBER OF COUNCIL OF STATE SITTINGS DURING THE BUDGET SESSIONS, 1930 TO 1934.

127. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Will Government be pleased to state:

(a) The number of working days in the Council of State during the budget session for each year from 1930 to 1934?

(b) The number of days the Members had to sit idle during the same period?

THE HONOURABLE KUNWAR JAGDISH PRASAD: (a) and (b). Assuming that by days on which the Members had to sit idle the Honourable Member means days on which the Council did not sit, he will find the required information in the statement which I lay on the table.

Statement showing number of Council of State sittings during budget sessions, 1930—1934.

Year.	No. of days on which the Council sat.	Total No. of days during the session on which the Council did not sit.	No. of days excluding Sundays and holidays on which the Council did not sit.
1930	18	28	20
1931	21	31	19
1932	18	24	12
1933	24	35	22
1934	26	53	3

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NUMBER OF INDIAN OFFICERS HOLDING THE KING'S COMMISSION WHO WERE EMPLOYED IN ADMINISTRATIVE BRANCHES OF THE INDIAN ARMY FROM 1932—1934.

128. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Will Government be pleased to state the number of military officers who were employed in the administrative branches of the army in the years 1932, 1933 and 1934? How many of those were Indians holding the King's Commission?

THE HONOURABLE MR. M. G. HALLETT: If the Honourable Member will refer to Statement II in the printed "Budget Estimates of Expenditure on Defence Services" for the years in question he will find the total number of King's commissioned officers of the various branches of the army. I have been unable to find out for him as yet the exact number of King's commissioned Indian officers in the administrative branches in each of those years but it cannot have exceeded the present figure of nine.

INSURANCE OF GOVERNMENT BUILDINGS.

129. THE HONOURABLE MR. SHANTIDAS ASKURAN: Will Government be pleased to state:

(a) Whether all Government buildings at Delhi and Simla used by the Secretariat or for residential purposes by officials are insured?

(b) If so, whether they are insured with Indian companies? If not, why not?

(c) If they are partly insured with Indian companies, what is the proportion of premiums paid to Indian companies as compared with those paid to British companies?

THE HONOURABLE MR. D. G. MITCHELL: (a), (b) and (c). No Government buildings are insured. It is not the practice of Government to insure their buildings.

MOTION FOR ADJOURNMENT.

INQUIRY BY TRIBUNALS INTO THE CONDUCT OF GOVERNMENT OFFICIALS.

THE HONOURABLE THE PRESIDENT: Honourable Members, I have received notices of two Adjournment Motions, one from the Honourable Mr. Hossain Imam and the other from the Honourable Mr. Jagadish Chandra Banerjee. I shall read to you the Honourable Mr. Hossain Imam's Motion for Adjournment. It says:

"Sir, I wish to move the adjournment of the House on the 16th April, 1935 to consider a matter of urgent public importance, namely, the pronouncement by the Honourable Home Member that officers' conduct cannot be subjected to inquiry by tribunal".

I would like the Honourable Member to satisfy me that this Motion is in order?

MOTION FOR ADJOURNMENT.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, the general rule about Adjournment Motions is that on every subject on which a Resolution can be moved an Adjournment Motion can be made. The only question is one of urgency. The fact is that on this subject of the pronouncement of Government policy a Resolution is admissible, and I have only to give proof on the question of urgency. Rule 39 says that the Motion must not be on a matter on which a Resolution cannot be moved, and in regard to that this is in order, and I submit that its urgency is covered by the fact that matters like these are cropping up every day and if the conduct of Government officials is not to be inquired into it will give them latitude to do whatever they like. It is therefore urgent that we should discuss it now.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Hossain Imam has given notice that he wishes to move the adjournment of the House to consider a matter of urgent public importance and he states in the notice that the matter is:

"The pronouncement by the Honourable Home Member on the 15th April in the Council of State that officers' conduct cannot be subjected to inquiry by a tribunal".

In the first instance he does not correctly quote the statement made by the Honourable Home Member in reply when the Adjournment Motion was discussed. If my recollection is correct, all that the Honourable the Home Member said was that it would be inadvisable on insufficient grounds to order enquiry by tribunals into the conduct of police officers as well as other officers as they would not discharge their duties fearlessly if they are called upon to answer or explain their actions before tribunals. That is the purport of his speech and not the statement which has been alleged to be made by the Honourable the Home Member. I must hold that the Motion is out of order on the ground that, if the subject-matter proposed for discussion is the statement by the Honourable the Home Member of the reasons for the refusal of Government to set up a tribunal to inquire into the recent events at Karachi the Motion would obviously revive discussion on the matter discussed on the Adjournment Motion on the 10th April, with the result that the Motion is within the bar imposed by clause (iii) of rule 12 of the Indian Legislative Rules. To make the position clear I will read rule 12:

"The right to move the adjournment of either Chamber for the purpose of discussing a definite matter of urgent public importance shall be subject to the following restrictions";

and the third restriction enumerated in this rule is that the Motion must not revive discussion on a matter which has been discussed in the same session. To permit the Honourable Member to move the Motion a second time would be to allow him to revive the discussion on a matter which has been already fully discussed.

Another objection is—and to which the Honourable Member has also referred—he thinks it is a matter of urgent public importance. Assuming for argument that the subject-matter proposed for discussion is an alleged general pronouncement by the Honourable the Home Member, there is no element of urgency at all in it. I do not see any element of urgency at all. This is not all. Moreover, I find that there is no precedent for such a

*Speech not corrected by the Honourable Member.

[16TH APRIL 1935.]

[The President.]

Motion either in the Indian Legislature or in the provincial Councils or even in the Mother of Parliaments. An Honourable Member cannot ask for a second Motion of Adjournment on a statement or a reply made by a Member in charge of the particular department of Government either on a full reply or on a part of the reply made by him. I do not find any precedent for such a request.

For all these reasons, I hold that the Motion is out of order and I will not permit it.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of personal explanation, Sir. I will read out the words of the Honourable Home Member from which I drew this conclusion. He stated at the end of his speech—

THE HONOURABLE THE PRESIDENT: Before the end he stated two or three times what I have mentioned. He laid the proposition threadbare before the House.

THE HONOURABLE MR. HOSSAIN IMAM: I will just read:

"What tribunal is competent to censure an officer who in circumstances of such difficulty which subsequently some other persons, acting perhaps on quite different sets of information may decide to have been wrong".

I think, Sir, that he meant that no tribunal is competent to censure an officer.

THE HONOURABLE THE PRESIDENT: You must take his whole speech, and not any particular sentence to ascertain what he really meant.

Honourable Mr. Banerjee, do you wish to move your Adjournment Motion?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Sir, the Government Member said—

THE HONOURABLE THE PRESIDENT: I do not want to know what the Government Member said. I want a reply, yes or no, from you.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I should like to have another day.

THE HONOURABLE THE PRESIDENT: You do not wish to move it today?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: No, Sir: Tomorrow.

THE HONOURABLE THE PRESIDENT: I do not make any promise. I am only concerned with today's work.

INDIAN FINANCE BILL, 1935.

THE HONOURABLE THE PRESIDENT: Before we proceed with the discussion on the Finance Bill, I desire to make a brief statement in order to clear up some misunderstanding which has arisen on account of the observations which I made last Thursday. I understand that certain observations which I made in the course of the debate that day have led some Honourable Members to believe that I intended to indicate that in the event of the Council carrying amendments to the Bill now before it, it would be open to the Governor General to take such action as would forthwith cause the Bill to become law in the form given to it by the Council's amendments. In case this interpretation should in fact have been placed on my observations, I desire to explain that I did not intend to express any such opinion. The circumstances in which the Bill is before the Council are those for which provision is made in the substantive part of sub-section (1) of section 67B of the Government of India Act read with clause (b) of that sub-section. If the Council carried any amendment to the Bill, the Bill will not have been so consented to within the meaning of clause (b), that is to say, it will not have been consented to in the form recommended by the Governor General and the provision that the Bill in that form on signature by the Governor General become an Act as aforesaid will come into operation. In that contingency the Governor General would have two alternatives before him. He could either place his signature upon the Bill in the form recommended with the effect of causing the Bill in that form to become an Act or he could refrain from placing his signature upon the Bill in the form recommended, with the effect that no Bill would have become an Act and that Government would be under the necessity either of doing without a Finance Act of any kind or of introducing and proceeding *ab initio* with a new Bill.

Discussion on the Finance Bill will now proceed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Does it mean, Sir, that even in case amendments are carried they will have no effect?

THE HONOURABLE THE PRESIDENT: I have already explained the matter twice. I cannot say anything more.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces: General): Sir, it has been claimed on behalf of the Government that they have begun to take great interest in the plight of the agriculturist and I myself being an agriculturist I want to look at the Bill from an agriculturist point of view. It is admitted that the prices of agricultural produce have gone down and various methods suggested on this side of the House to increase prices have been rejected by Government on various grounds. Well, Sir, it is also admitted not only by the Government but by financial experts like Sir Walter Layton that India is a poor country and that the burden of taxation on the agriculturist has increased to such an extent that the agriculturist now finds it impossible not only to pay the taxes but to carry on their usual maintenance and other work. Sir, I want to know what efforts have been made by Government to relieve the suffering of the agriculturist? I know, Sir, the Government of India will tell me that provincial Governments have helped the agriculturist by way of remission of

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land revenue; that the provincial Governments have passed certain Acts to decrease the burden of debt, but I want to know, Sir, how far these methods have been successful? I cannot say with authority as regards other provinces but, Sir, so far as my own province is concerned, hardly 5 per cent. remission is given so far as land revenue is concerned. I said, in this House, Sir, on various occasions that no doubt the provincial Governments have passed certain Acts to decrease the burden of debt of the agriculturist but that has had no effect practically in increasing the price of agricultural produce. I can, Sir, ask the Government of India as to what part they played in relieving the sufferings of the agriculturists by way of increasing the price of agricultural produce? We on this side of the House suggested various methods. My Honourable friend, Mr. Hos-sain Imam, who always takes a lot of interest in exchange and other monetary problems, suggested a change in the ratio. We on this side of the House suggested that the rupee should not be pegged to the paper currency in England. This side of the House suggested that the drain which India has to suffer by the export of gold should be stopped. Up till now, Sir, if my figures are correct, about Rs. 226 crores of gold have left the shores of India. But then, Sir, all these methods which we on this side of the House suggested were regarded with the utmost contempt by the Government of India and we were told that these measures are not in the interests of the country. I am not an economist, I am not an expert in monetary matters. I therefore do not propose to give suggestions to the Government of India about crop-planning and other things but I want to ask them a direct question—whether the methods which they have adopted have succeeded in increasing the prices of agricultural produce? Sir, agriculturists in India who till their own soil have full experience of the fact that the prices have gone to such a low extent that we are not even able to meet the cost of production nowadays. The agriculturists pay a major portion of their revenue to the Government of India. They have to bear the provincial taxation and in addition to that they have to bear the ordinary normal taxation of the Government of India as well as the emergency taxation which has been made since 1931. I say emergency taxation because the Government of India through Sir George Schuster admitted last year in his budget speech that these taxation proposals were made for a particular period and he thought that he would be able to do away with them but could not. I will read a sentence with your permission, Sir, to show that these measures were emergency measures. He said:

“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 the equilibrium for a limited period, namely, up to March 31, 1933”.

So, Sir, my first objection to these emergency taxation proposals is this, that Government have failed to carry out their promise of relieving the taxpayer by removing this emergency taxation. Then, Sir, I find from the speech made in this House and the speech made in the other House by the Honourable the Finance Member that he is against any planning; he regards Sir M. Visvesvaraya's planning as Utopian and therefore his own idea is to allow the things to go on the principle of what is called *laissez faire*. Sir, we find altogether a different idea in Sir George Schuster's speech last year. Sir George Schuster said:

“True we must have a plan but before we have a plan we must know our position. We do not know what is the statistical position. We must have time to study the problem and be sure of our own position”.

So, may I take it that as there is a change in the personnel of the Finance Member, there is a change also in the policy of the Government of India? I have already made it clear, Sir, that I am not an expert in these matters, but I want some relief. If you can give me relief without planning, if you can give me relief by way of increasing the prices of important agricultural produce, if you can give me relief by way of lessening the taxation, I will certainly agree with you that there is no need of planning. But one Finance Member comes here and tells us that planning is necessary and that he wants time to study the matter and then he will have his own plan. Another Finance Member comes here, Sir, and tells us in plain words that no planning is necessary at all and that if anybody were to make a demand in that direction he does not know the position of India and he has not studied it and therefore it is not worth while attaching any importance to what he says. Therefore, what are we to do? As laymen we are rather confused.

The next question, Sir, is about the budgetary equilibrium of India as a whole. After reading the speech of the Honourable the Finance Member in both Chambers, I find that he is very anxious to have a balanced budget. He has given us a balanced budget according to his own views, and a surplus of Rs. 1,50 lakhs. But he has not in any way reduced the emergency taxes. My quarrel with him about the restoration of the pay cut is not on the ground that it should not have been restored, but on the ground that this was not the proper time for restoration. We know how highly paid the services in India are. We know also that the prices of commodities have gone down to the extent of 50 per cent. So, the Government could have waited for a year or two and found their way to remove the burden of additional taxation, and then certainly they would have been entitled to restore the salary cut. We find from the speech of the Honourable Mr. Gladstone the other day that even the European community in India are against the restoration of the salary cuts since the emergency taxes have not been reduced. We are accused of making destructive criticism. We are told that we are not responsible and therefore we do not make any constructive suggestions. This side of the House has made constructive suggestions at various times. We made a constructive suggestion the other day about the reduction in the expenditure on the army. My Honourable friend Mr. Mehrotra moved a Resolution the other day about reducing the number of British soldiers in India and replacing them by Indian soldiers. It was admitted that a British soldier costs the Indian Exchequer three times more than an Indian soldier. I want to know whether it is in the interests of British India to maintain British soldiers at such a high cost when British India can find Indian soldiers to replace them at a very low cost? I must make it quite clear that I do not want the efficiency of the army to be impaired. But if you can get Indian soldiers of equal qualifications, ready to do the same sort of work, at a lower cost, then I submit that it is not in the interests of British India that you should maintain those British soldiers.

We on this side of the House suggested that incomes derived in England by pensioners and persons going on leave should be liable to tax. But the answer given was “No”. Is it in the interests of British India that pensioners and persons going out of British India on leave should get their income from the Indian Exchequer but should not pay income-tax to the Indian Exchequer? Is there any country in the world where income-tax is not paid on incomes derived from the Exchequer of the country? (An Honourable Member: “Nowhere in the world”). Then, we made a

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suggestion to reduce the expenditure on the civil side. Some suggestions were accepted no doubt but many of them were rejected. The other day, I read in the papers that in England, the Stores Department spent in purchasing stores worth about Rs. 66 lakhs, and that Stores Department costs the Indian Exchequer about Rs. 25 or Rs. 26 lakhs. Is this the way in which the interests of British India are looked after by the Government of India? I submit that if some of us say that you rule here for the exploitation of British India, I think they will not be wrong. The Honourable the Leader of the House told us the other day that the Government of India deserve sympathetic consideration and not condemnation. I want to examine that point whether the Government of India really deserve sympathetic consideration or not. For instance, I will take the present Bill. I do not want to go into past history and take up the time of the House, because I know there are more speakers to come. But, I shall examine the present Bill. It is said on behalf of Government that the Executive is irremovable and they are faced with an elected majority. I have considered all the provisions of the Government of India Act and have studied to some extent the Montagu-Chelmsford Report. I agree with the Leader of the House that the Legislature should not force the Executive to use their emergency powers. I fully admit that, but what is the position? Did the Assembly throw out the whole of your Bill? They only suggested some amendments. I could have understood the position if they had thrown out the Bill *in toto*, if they had refused supplies altogether. Then you could have resorted to your special powers. But in this case, they only modified certain provisions of your Bill, and if those amendments had been accepted you would have had to make arrangements for about Rs. 4½ crores altogether. You say that they are obstructive. I do not agree with that view, because I find that they have not been obstructive. All the suggestions they have made are for relieving the burden of taxation on the people of India. Take a concrete example. Suppose you put a demand for military expenditure before them and they threw out the whole demand. Then I would have said that they were really obstructive, but if they cut the demand to a reasonable extent then it cannot be said that they are obstructive. But admitting for argument's sake that they were obstructive, what is our position? We have never been obstructive; we have made sound suggestions to you; we have told you how to reduce expenditure; we have never moved vexatious Adjournment Motions; we have never asked questions as to why the *Statesman* was put under a foundation stone and not the *Hindustan Times*. We have made suggestions to you, and the reply is, "No, we are not going to change a comma in the Finance Bill". If that is the position you take up, where are we? We are co-operators, we are responsible and responsive, and it is you who are irresponsible and unresponsive. My Honourable friend Sir James Grigg says that any Chancellor of the Exchequer in a democratic country would have done the same thing as he has done. I submit that if any Chancellor of the Exchequer had done what he has done here, he would have been out of office! He knows definitely that the Indian Legislature is committed to a policy of discriminating protection, but he wants to thrust on us his policy of free trade. Would any democratic country allow that sort of attitude on the part of a minister and keep him in office? We know that you have got the power; we do not say you have acted illegally, but I say that you have acted unconstitutionally. You have buried the Montagu-Chelmsford Report.

The authors of the Report never dreamt that you would use your powers to such an extent. When the authors designed their report they wanted that the Legislature should be heard and that you should be reasonably amenable to them. But what do we find? We find not only the most modest but the most urgent demands are rejected. Let us take the case of salt. The Leader of the House says that it has political sentiment and history behind it. Well, it has history behind it. The present Prime Minister of England has condemned this sort of tax in very strong terms. Apart from that, are you going to reduce the rates on postcards? That is really in the interests of the agriculturist, his only means of communication. If you are going to meet us to that extent I will ask my Honourable friends here to withdraw their amendments. But I know that you are not going to change a comma. Then what are we here for? To register your decrees? We are not. We are here to tell you frankly that our grievances are such and such; we are ready to co-operate with you, but you must also be ready to co-operate with us. I say you have misused and abused the powers given to you under the present Government of India Act. And not only have you misused them but you have insulted that House and this House. I do not challenge the statement made by the Honourable the Law Member the other day that the procedure adopted was correct. I know the procedure is quite correct, correct according to the letter of the law but not according to the spirit of the law. Sir, I think it is not the intention of the Government to meet the popular demands in any way. On the contrary, it is their desire to thrust their own views on us, whether they are in the interests of India or not. You say certain things are in the interests of India. Is it in the interests of India to overburden its population with taxation? Is it in her interests or in yours to rule over a discontented country? Is it in the interests of India to restore the salary cut but not to give relief to the poor taxpayers and agriculturists? Is it in the interests of India that you are spending such a large amount on the army in India, when you can have as efficient an army recruited from the nationals of the country? I put it to you whether you are doing things in the interests of India or not? Sir, I have read section 67B of the Government of India Act. The power of certification is for use when the peace and tranquillity is endangered and when anything is against the interests of Great Britain. I have put to you a straight question whether the things you are doing are really in the interests of India. If not, then we cannot really be accused of being irresponsible. I submit that our charge against you is that you have been irresponsible. Apart from this, I will now submit, Sir, that your plain position is this. You receive orders from Whitehall and you abide by those orders. I know under the Government of India Act and the present constitution you are obliged to carry out their orders. But as men on the spot you ought to resist those orders. You ought to tell Whitehall plainly that you are here to rule over a contented country and not a discontented country. My charge is against Whitehall. My charge against the Government of India is that they ought to have asserted their position against orders passed by Whitehall. I know I have already said that they cannot, but as men on the spot, their opinion, their views, ought to have some influence over Whitehall.

In the end what I submit is this. As I have said, I am not an economist, I am not an expert in monetary matters, but what I see from your policy, the policy that you have been carrying on for the last five years, during these days of depression, is that you have not taken into consideration at all the grievances, the sufferings of the agriculturists, the position

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of all classes in India, but you take orders from Whitehall and you carry on your policy. Certification means nothing else. You want to run to the Viceroy's House with a beggar's bowl for certification and with an iron rod in the form of taxation to hammer these poor agriculturists. If you think that the salt tax cannot be removed, you ought at least to have come down to a certain extent and agreed to reduce postal rates, and the income-tax level to Rs. 2,000. That clearly shows your attitude. Your adamant attitude clearly shows that you are not in any way concerned with the interests of British India, but you want to carry out orders from Whitehall. I therefore do not want to record my silent vote and I think it my humble duty not to support this sort of measure which is before us.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, before I begin to discuss the Finance Bill, with your permission I would like most heartily to welcome Kunwar Jagdish Prasad as the Leader of this House. Sir, at one time I accorded him a hearty welcome not only on my behalf but on behalf of the people whom I represent, I mean the land-owning classes and other big people of the Frontier. The Frontier, as you know, Sir, is the gateway of India and as such I take the opportunity to extend my hearty welcome to him on behalf of those people whom I have the honour to represent. Sir, the Kunwar Sahib's uncle at one time served with me at Indore, although he was serving His Highness the Maharaja of Indore as Chief Judge and I was attached in those days as Quartermaster to the Malwa Corps and later on as Adjutant to that local corps, where I put in at least six years with the uncle of the Leader of our House. I know he is the scion of an aristocratic family and that he comes from the land-owning class and I think that all the land-owning classes in India will be greatly honoured by the appointment of the Kunwar Sahib as the Leader of this House.

Now, Sir, I will come to the discussion of the Finance Bill and my observations on the Finance Bill are as follows.

Sir, the Finance Bill this year is a certified Bill and as such it is going to be an Act whether we wish it so or not. Since it has the certification of His Excellency the Viceroy behind it, I am not going to oppose it or obstruct its passage by making a lengthy speech. I also believe that this Honourable House will see its way to pass this Bill in its original form in response to the recommendation of His Excellency the Viceroy to pass it so on account of its being essential for the interest of British India, but as the object of a general discussion of the Finance Bill is to provide opportunity to the Finance Department to know the general trend of opinion with regard to their taxation policy, so as to enable the Honourable Member in charge of the Department to adjust its Bill in such a way as to be in accordance with the general conditions prevailing in the country, I would like to make a few remarks with regard to it before resuming my seat.

Sir, this House knows very well that an enormous addition to the burden of taxation has been made on the people of India during the last 20 years. During the Great War and the five years that followed there had been a constant and enormous increase in the taxation of this country. If we confine ourselves to the period of economic depression, we find that

about Rs. 50 crores of additional taxes have been imposed. In the year 1930 additional taxation to the extent of Rs. 5 crores was levied. In March, 1931 another Rs. 15 crores of additional taxes were added to it and in September of the same year a further additional taxation of nearly Rs. 25 crores was imposed by virtue of the Supplementary Finance Bill of that year. Another additional taxation amounting to Rs. 5 crores was imposed in 1934. All this amounts to Rs. 50 crores. Now, Sir, is this not a huge amount? Is it not a very heavy burden for the taxpayers and is it not on this account that there is widespread opposition against all measures of taxation from every corner of the country?

I would particularly like to invite the attention of the Honourable the Finance Secretary to the taxes known as income-tax, super-tax and sur-
12 Noon. charges which are proving a source of great trouble and discontent to all those concerned and I think that I will be voicing the feelings of this House in saying that there is a general desire for a substantial reduction in their prevailing rates. Indeed, it is a pity that no appreciable reduction in their rates is considered to be worth allowing for, although a solid reduction in them is an urgent need of the moment. The Honourable Members know full well that the imposition of these taxes and especially the super-tax was resorted to simply to meet the exigencies of war. The income-tax was enforced since the year 1886 but it was assessed by a tehsildar or the deputy commissioner up to 1918 and was regarded as a benevolent assessment. There was no question of close scrutiny or looking into the accounts of an assessee for the assessment purpose during that period. During the war the yield from this source was not found to be sufficient and it was therefore proposed to have it levied by means of a special department. Super-tax was added as a purely war measure on a definite assurance by Sir Malcolm Hailey, the then Finance Member of the Government of India, that it was definitely to be done away with as soon as the exigencies of war were over. Well, Sir, it is now more than 16 years that the war has ended and still it is tied to our necks with some increase in its rates every year. In September, 1931 another additional tax known as surcharges was added to it in order to make good the deficiencies in the Government budget said to have arisen owing to the economic depression. The surcharges were to be levied for a period of a year and a half and their enforcement was subject to a clear promise on the part of Sir George Schuster that these will be no longer required after their stipulated life of a year and a half. In the light of that promise their operation ought to have ceased after the end of March, 1933, but it is now a month over two years over and above the stipulated period and still their operation is going on without any perceivable signs as to their withdrawal in the near future. The meagre reduction by one-third of their rates is not an appreciable attempt towards their withdrawal at all and it further loses its significance when we see that the salary cut of Government servants sanctioned along with the imposition of these surcharges has been restored *in toto*. In restoring the cut in salaries, the Government have placed the interests of its servants before the interests of the taxpayers, whereas in fair justice it ought to have given preference to the interests of the taxpayers over that of its servants. No doubt, the Indian people are a subject race but their being so does not debar them of sympathetic consideration on the part of Government in the matter of taxes levied on the subject community. Sir, the poor taxpayer is dying under the burden of these taxes

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and justice demands that he should be relieved of this unbearable burden as soon as possible. As I have said before super-tax and surcharges were imposed only as a war measure and a temporary measure to be removed as soon as there was no need for them and when the Government is so keen upon keeping its promise with its servants with regard to the restoration of their salary cut within so short a period, I think it would have been far better if the Government had taken the bold step to make good the promise to the taxpayers also by removing the surcharges to the same extent as in the case of its servants.

Again, Sir, the system of assessment of income-tax is open to great objection. The income-tax authorities have their own way of making assessments which are highly excessive and without justification. There is only one interpretation of the income-tax law and the curse of the matter is that the income-tax authorities always insist on their interpretation to be accepted as correct. Briefly speaking, the system of assessing incomes is highly coercive and humiliating. Besides this, India is a poor country as compared with the United Kingdom and yet we find that the rate of income-tax in England is not so heavy as it is in this poor country. In England, concessions are given to married men. There are allowances for the wife, children and dependents and these allowances are increased according to the number of children but there is no provision of the same sort in India. In England there is an exemptible minimum of £130, i.e., if a man's income is £800 per annum he is allowed an exemption of £130 from this income and his income liable to assessment is taken at £670, but there is no such exemption in India. On the refunds granted on appeal against an assessment, no cost of appeal is allowed at present, whereas in the ordinary course of law there ought to be some provision for it also.

Personally speaking, Sir, I am in favour of a universal rate of tax and I think that all my Honourable colleagues would also agree to it.

THE HONOURABLE MR. HOSSAIN IMAM: Will you have a capital levy?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: I would have a universal rate—no graduated rates, that is what I am complaining of. Everybody must pay the same tax because we are all equal subjects and there should be a universal law; no hitting one person or another.

THE HONOURABLE MR. HOSSAIN IMAM: They should have equal incomes too!

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Well, you should have equal brains too! A hard-working man always gets the better of a loafer. If you work hard you will be a wealthy man but if you do not put in hard work you will not get anything. Simply talking will not be of much use to you!

As regards graduated rates of taxes, I am strictly opposed to them and the sooner we are relieved of it, the better for us all. I would, therefore, like to suggest to my Honourable friend, Mr. Tallents, that he should adopt this form of taxation or consider the alternative of making a substantial reduction in the present rates of income-tax and super-tax and

removal of the surcharges *in toto* at an early date, ~~as~~ this is the only means to provide relief to the tax-payers tottering under the burden of highly excessive and unfair taxations. Substantial relief to the tax-payers in the matter of taxation is an urgent need of the moment and the Government ought to be alive to the fact that the present form of taxation is sure to break the neck of the tax-payers, with the result that there will be nothing in the country but widespread poverty and indigence. It is, therefore, high time that the Government give serious consideration to the matter and in view of the deplorable condition of the tax-payers now-a-days, show some commiseration to their cause, as their incomes and capitals are constantly decreasing owing to the very heavy rates of taxes resorted to by the Government under their present policy. Will the Honourable the Finance Secretary very kindly consider making substantial reductions in the income-tax and super-tax rates and absolute removal of the surcharges at an early date? I think the Tariff Board can very well consider some other form of taxation, so as to make good the deficiency supposed to arise from allowing reduction in these taxes. Formerly, the Tariff Board was not on such an extensive scale and when the Government of India is getting a very large income from this source, they must reduce the rate of taxation as their income increases from this source.

Then, Sir, what is the object of all these very heavy taxes? The only object seems to strengthen the resources of the central Government in order that it might carry on the ordinary day-to-day duties of administration. Well, Sir, in pre-war days there was very efficient government and very small taxation. Now-a-days, I do not think there is any more efficiency and yet the burden of taxation is absolutely unbearable. The Government of India ought to make an earnest endeavour to bring their expenditure to the pre-war level. The sources of income are getting dry day by day and the expenditure is increasing every now and then. Well, Sir, how long is this sort of thing to go on? Retrenchment in expenditure, I think, is the best course under these circumstances and the sooner the Government of India see to the advisability of resorting to it, the better for them and the general tax-payer in the country.

Well, Sir, I have ventilated my grievances regarding the increased taxation policy of the Government of India. But now I must see and scrutinise the other side of the picture. The present Bill is a certified Bill, because the lower House has mutilated it in such manner without any suggestion as to how that deficiency is to be made good. Under these considerations His Excellency the Viceroy has thought it proper to send the Bill to this House, reposing confidence of the Government in the sound, wise, judicious and sagacious intelligence of this House. Sir, this House consists of the aristocratic elements of patricians and as such it can be styled the Senate and the Senate has always been the bulwark of the Government and, as the saying goes, confidence begets confidence. As His Excellency has trusted this House to meet the wishes of the Government, I think it will be wise for this House to pass the present Finance Bill, considering that it is the first budget of Sir James Grigg with a warning that the world is changing and is rapidly changing and that in his future budgets he should not turn a deaf ear to the demands of the public. I am not so much criticising his uncompromising attitude but, Sir, what I am afraid of is that the sources of taxation are fast drying the springs of supplies and if taxation is not reduced in the near future, in my opinion this policy of taxation will have a very dark reflection both for

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the Government of India and its subjects. (*An Honourable Member:* "Then vote against it!") I say that confidence begets confidence. If somebody sends a thing to me reposing his trust in me, I shall not betray that trust.

THE HONOURABLE MR. HOSSAIN IMAM: Why did he send it?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: As the Honourable the President said this morning after his certification, he need not have sent the Bill at all to you. He could have done that.

I am a soldier and a Pathan and as such I think it will be better to put the authentic photo of the Indian subjects before the Honourable the Finance Member and his Secretary rather than go on flattering them and the Government in a manner which will make me ridiculous and my arguments unheeded and perhaps subject me to boisterous laughter. I appeal to the Members of this Honourable House as elders, as senators, as responsible persons and as aristocratic magnates to help His Excellency the Viceroy in passing this Bill but at the same time I want to warn both the Honourable the Finance Member and his Secretary that they must think of the reduction of taxation and not resort to any fresh taxation. After all, a subject race has to be taxed less in order to gain their confidence. This was the policy of the Afghan rulers of India from the 11th till the 16th centuries, for nearly over 500 years. They always taxed their own people more than their subjects in India and I think I am uttering these words simply as a well-wisher of the Government of India that they must change their taxation policy. It is much better for the Government of India to get a continual income rather than take a big sum of Rs. 50 crores at once and thus have very little in future. The sound policy is not to kill the goose that lays the golden egg.

Sir, I again appeal to this Honourable House to pass this Bill in order to show to His Excellency the Viceroy and Parliament in England that there are still in India the old aristocratic representatives who, in spite of being heavily taxed, have passed this Finance Bill, the major portion of which falls on the shoulders of the aristocratic magnates of this House and those outside it in order to respond to the call of His Excellency the Viceroy as a representative of the Crown. The aristocracy have always encircled the Crown and let this House not fail in their duty as aristocratic senators.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan): Sir, before I commence my remarks on the Finance Bill, permit me to congratulate the Honourable the Leader of the House on his impressive maiden speech which he delivered the other day. I hope, Sir, he will excuse me if I do not exalt his persuasive eloquence too much, because it is the one thing of which we of the Opposition are greatly afraid of. It is this that denudes our ranks! It is only the direct sabre thrusts from the Honourable the Law Member or the Honourable the Finance Member which keep us alive. Sir, I regard them as the real and true friends of the Opposition, because, so far, in the other place at least, they have managed to deport some of their habitual supporters to the Opposition ranks and they are very grateful to them for the services they have thus rendered to the Indian nation.

Mr. President, my colleague, Mr. Kalikar, was very vehement just now in condemning the Treasury benches. It is customary in India to condemn the Treasury benches. I also believe that sometimes it is their fault that they are wooden. But this session of the Assembly has done a great service inasmuch as it has opened the eyes of India to the fact that the gentlemen sitting opposite to us are not perverse and wooden. The only trouble from which they have been suffering for a long time is that they are subject to the orders of somebody else. This is not a new discovery. It has existed for all time. But it has assumed a malignant shape only recently since the advent of that masterful Secretary of State, Sir Samuel Hoare, and the ascendancy of a Government in Britain national in name but ultra-conservative in character. It is they who have so often vetoed the decisions of the Government of India. The British authority have so many times turned down the Government of India that our friends on the opposite side have lost the heart to fight. They realise now their own inability to do anything, because, after all, according to the law the Secretary of State is the absolute monarch of the whole of India, inasmuch as his powers are absolute, irresistible and unappealable. Facing that on the one hand, they have to measure swords every day with the Opposition, which consists of an elected majority. Now this Opposition has three advantages. It is actuated by the highest sense of patriotism. It can bring in its support the practice of all the self-governing countries. All the authoritative opinion of the world is at its command to be placed in support of its claims. Now, any one can judge what would be the position of a man placed in between these two sets of circumstances. They would be literally between the devil and the deep sea. It is but human that they should get sometimes exasperated. Faced with an *impasse* of this nature you cannot blame them if, being mortals, they give vent to their impotent rage against the powers that be on the devoted heads of those who are less powerful than themselves. It is the same thing everywhere. When a boss is angered the underling lords it over the people under him. So I do not think there is any intrinsic defect in the present Members of the Executive Council or that there is any organic defect in the constitution of the Council. There is only functional trouble, and in order to cure that it is necessary that both the Government and the Opposition should realise their own powers and their own shortcomings. Faced with a domineering Secretary of State, if the Government has not the backing of the Opposition and the people of India, it will every day go down in the estimation of the Secretary of State and it will lose further ground every day. If it had the support of the elected representatives of the people of India, then it could, as it has done before, carry some weight with the Secretary of State. I mean it is in the interests of the Members of Treasury benches themselves that I would appeal to them not to always brush aside the Opposition but to try to understand their sentiments and as far as possible to put their case before the master of India, the Secretary of State.

Sir, there are some people who are uncharitable enough to say that the sixty or eighty thousand rupees which the Honourable Members receive from the Government exchequer metamorphoses them. I personally think it is a wrong charge. I have had the good fortune of working with seven or eight ex-Members of the provincial and central Governments as our colleagues in this House and the other House during the four and a quarter years that I have been here. During this period I have found that all of them were as sincere Indians as ourselves. They felt as

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strongly when an insult was administered to the national honour as any of us. The reason why some become different when in office is that they are under orders, the orders of the Secretary of State.

Now, Sir, coming to the Finance Bill itself, it seems that it is a tragedy that a Bill which had most of the elements to make it acceptable should have met with the fate which it has. Consider the fact, Sir, that after five years this is the first Finance Bill introduced which imposes no new taxation; this is the first Bill to give relief in taxation after five years; this is the first Bill since India came under the British Crown in which the Government of India have set aside a crore of rupees for rural uplift. With all these favourable circumstances why should this Bill have received such cursory treatment in the other House? If this treatment had been meted out only by the Congress people, Government could have easily explained it away as being due to Congress desire to bring the present Government to shame and to obstruct work. But when we find that other Members who had been in the Assembly for many years and new Members who owe no allegiance to the Congress also have joined hands with the Opposition; when we find that even the European Members are not prepared to support the Government; it is about time the Government considered what was wrong with them. If they are satisfied with the self-deception that whatever they do is right, and that the mantle of divine infallibility has fallen on their shoulders, and think that they and they alone are competent to judge what is correct; then I think they should close up all this show and save at least a few lakhs which is incurred on account of the Legislature. The European Members, Sir, are the most responsible people from the Government point of view as they are as mindful of the prestige of the British Government as the Members of the Treasury benches themselves. When they feel the time has come for them to hold aloof from the Government benches, and when Honourable colleagues like Mr. Yamin Khan, etc., condemn the Government of India, they ought really to think over the matter. I think that all this trouble has arisen because of the attitude which the Honourable Finance Member has taken "There is no sense in whatever is uttered by non-officials". "The only safety lies in following the beaten path which he has traced out for us". As was pointed out on the previous day by some of my colleagues this is not the spirit which ought to actuate a Member sitting on the Treasury bench. Sir, Finance Members come and go. We in India have to live here and have to suffer the consequences of their mistakes. They come and say airily that you are wrong, but they are not made to suffer; they are not here to bear the brunt of it. It is we who have to bear it, and therefore demand that our opinion should be given due weight and not be brushed aside, as is being done every day. Sir, I am going to impose a self-denying ordinance on myself and confine my remarks only to those matters which have been referred to directly or indirectly by the Honourable Finance Member in the two Houses since the 28th February up till the other day.

Mr. President, in his speech in this House the Honourable Finance Member said that we are so obsessed by devaluation and the ratio questions, that it has become a King Charles' head with us. I think I can return the compliment and tell him that his *bête noir* is expansion of currency. Any and every suggestion for expanding the medium of exchange conjures up before his mental vision one and only one picture, the

toppling and debacle of the mark. As if there is nothing else in the history of post-war Europe! As if that was the solitary instance of devaluation in the world! Has he forgotten what happened to the franc? Has it not been brought down to one-fifth of its pre-war level in terms of gold? Is it not still one-third of the pre-war value to the sterling? Has the currency structure of France fallen down? Is it bankrupt? Has it encountered very great difficulties? Is it not the solitary stronghold of the gold standard in Europe? Is it not still maintaining its position? Has he forgotten the instance of the lira, which has also been devalued from its pre-war level? Expansion, inflation and reflation of currency are all different, it is childish to think that everything will drift to one pre-conceived disastrous end. I can cite examples of countries which have devalued their currency and are still maintaining a stable budget and stability in their own country. Personally, I do not believe that Germany did very badly by devaluing its currency, but that is beside the point. They started with a clean slate. They wiped out all national debts, all the burden of debts on the agriculturists and the working classes. As a socialistic measure they did one of the best things they could do. But I do not want that to be copied. I am asking them to copy France, Italy, and the United States of America.

Now, Sir, Sir James Grigg made a strange announcement on the 6th March. May I read his words, Sir, or may I paraphrase them?

THE HONOURABLE THE PRESIDENT: You can paraphrase his remarks.

THE HONOURABLE MR. HOSSAIN IMAM: He remarked on the 6th March when replying to the general discussion in the other House that gold purchase for Currency Reserve was tantamount to violent inflationary movement. To the people who have suggested to him that gold should be purchased and kept in the Currency Department, he brought forward two arguments against it. His first argument was that it would be a violently inflationary movement with all its evil consequences. His second was that it would be expensive; he stated that we will have to take loans from the public and pay interest thereon without making any gain. Both these statements are wrong.

THE HONOURABLE THE PRESIDENT: Can you show any reason why Government should purchase gold at such a high price? Is it in the interests of the country?

THE HONOURABLE MR. HOSSAIN IMAM: Yes, Sir. In the first place I regard that both his arguments were based on flimsy grounds. I will tackle his first argument about violent inflation. Perhaps the House has not forgotten that in the period between the 21st September, 1931, and 31st March, 1932, in a period of less than six months the Honourable Sir George Schuster increased the note circulation by Rs. 34 crores without bringing down the exchange and it was during this period that for the first time we were able to pay back a sterling loan without contracting a fresh sterling commitment. This was the actual advantage of the expansion of currency in India, though he says it would make violent inflation with all its evil consequences. Then, Sir, consider what France has done. During the time we have been off the gold standard they have increased their note circulation by thousands of millions of francs against purchase of gold. It may be said, Sir, that France and India are different; they are on the gold standard whereas we are not. But, Sir, I wonder whether even the Finance Member would dare to accuse Montague Norman of not knowing his own business. During the period since when England went

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off the gold standard, the Bank of England has increased its note circulation by some £30 millions against gold purchases purchased at a premium and the deficiency has been made good by the Chancellor of the Exchequer by transfer of *ad hocs*. Perhaps he has forgotten that there is anything of the nature of *ad hocs* which exists in the reserves of the central banks? There is no need of going to the market and getting fresh loans to increase the circulation, because it is due to the fact that we have a fictitious book value of gold that we have to supplement it by *ad hocs*. If we were to value gold at its market value as is usually done in gold standard countries or at a book value which is in parity with the general market condition, there would have been no necessity of having recourse to *ad hocs*. This much for his technical argument of difficulties.

Now, Sir, he cannot forget a very important factor of Indian currency, that there are two kinds of notes; one is the paper note and the other is the silver note, printed on a piece of silver, which has no equivalent intrinsic value, but its value is due to the fact that it happens to be a token coin; far above its world price. Now, it is a well known fact that expansion of currency means expansion of currency and not of note issues alone. The Government has during the five years for which I have been able to find figures withdrawn 59 crores of silver rupees from circulation and it has not even reached the note circulation which we had in February, 1929. In February, 1929, we had a note circulation of Rs. 192 crores. Today we have a note circulation of Rs. 186 crores. There is a deficit of Rs. 6 crores even in this.

THE HONOURABLE THE PRESIDENT: What is the conclusion you want the Council to draw? I have not yet been able to follow you.

THE HONOURABLE MR. HOSSAIN IMAM: I am saying that the expansion of currency against gold purchases should be an essential part of the policy of Government, and in order to justify the purchase of gold I am proving that there is a dearth of currency in India, as certain kinds of currency have been withdrawn by the Government acting in its own wisdom.

Now, Sir, I was saying that during this period of five years which I have taken we found 59 crores of silver rupees withdrawn and the note circulation is less by Rs. 6 crores than what it was in February, 1929. Therefore currency in circulation is Rs. 65 crores less than what it was and what it ought to be now. If we are to attain any increase in price levels, for which all the Finance Members, Sir George Schuster and Sir James Grigg, have shown a liking, this is one of the methods of bringing it forward.

Sir, I have done with gold purchase, and disposed of the arguments which the Honourable the Finance Member in his speech in the other place gave against gold purchase. In addition he said that if we were to have an export duty on gold it would hit the seller of distress gold.

Sir, I now come to the point that we have been requesting, and by we, I mean all the non-officials, Europeans and Indians alike, since 1932, when the European Chamber of Commerce in Calcutta first passed this resolution of imposing an export duty on gold. Up till now there has been universal agreement in India among the non-officials to have an export duty and the only argument which the Government has cared

to bring forward is that it will hit the sellers. In the first place, Sir, the question arises whether the State has a right to tax profits of 50 or 60 per cent. to the tune of 4 or 5 per cent. or not? The sellers of the gold are making an enormous profit of 50 to 60 per cent. When we said this was distress gold, the Government came forward and said it was trade gold. People were selling out because they were making a profit. When we accepted that position, the Government turned round and said it was distress gold. Be it whatever it may, the question is, what will happen if we have an export duty on gold? In considering this question, it is essential that we should remember that Indian opinion has made two suggestions which are interdependent. The first was that there should be an export duty on gold and the second was that there should be delinking of the rupee. We are not enamoured of any particular ratio. We simply say, do what you did of your own free will in September, 1931. As you will remember, Sir, on the 21st September, 1932, when England went off the gold standard and the news came to the Government of India, what did they do? They passed an Ordinance delinking the rupee. Then we realised that the Government of India themselves were with us. It is only the man behind the scenes who is the real culprit and who is responsible for all our troubles. The Secretary of State ordered and three days later Government linked the rupee to sterling at 1s. 6d. We do not ask for a particular value to be attached to the rupee. We say let it drift and find its own level. What has England done? Has it linked sterling to the currency of any other part of the world? Has Japan linked its currency to that of any other country who is off the gold standard? The world has never heard of such a thing. Two countries on the gold standard get linked because there is the gold to measure the value of the different currencies, but when there is no common factor and it is altogether a question of the exigencies of the particular country demanding its valuation being put up high or low, then it is the height of folly to make them work side by side and rise or fall together. Now, what have we got in England? England has got an Exchange Equalisation Fund which they use whenever the price parity demands. They are never used when the price parities of India demand a rise or fall. And therefore, Sir, our demand for delinking is based on the highest principles of almost universally accepted economic principles of finance. Now, Sir, as I was saying, if both the suggestions of this House had been accepted, the rupee had been delinked and an export duty of even 5 per cent. *ad valorem* on gold had been put up what would have happened? Would the sellers have benefited or lost by this transaction. Up till now, Sir, it is estimated that India has exported gold worth \$171 millions. If the rupee had been delinked and the exchange had sunk down only to 16d. per rupee, if not further, the Indian seller instead of receiving Rs. 227 crores which they have received would have received 256 crores, an increase of Rs. 29 crores in the actual money which they could have received. Its value outside is not what concerns them. It is the number of rupees which they get in India that matters to them.

THE HONOURABLE THE PRESIDENT: Do you mean to say that currency is not managed in other countries?

THE HONOURABLE MR. HOSSAIN IMAM: Sir, in every country the currency is managed in the interests of the nationals, except in India and of that, Sir, I will give you a concrete proof. I challenge the

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Government to cite the example of any country in the world whose parity to gold if it is on the gold standard or to sterling if it is off the gold standard, is more than its pre-war parity, with the single exception of India. The Government have no face to tell us that they are managing the currency in the interests of India. Otherwise have you ever heard, Sir,—you know the financial position better than anybody in the House,—have you ever heard of deflating currency during falling prices? Yet this House knows that it was done with impunity in 1931-32. The Government have absolutely no leg to stand upon. Their only aim is to keep up the exchange because thereby they can support the trade of England to flow into Indian markets. Our Honourable Colleague, the Commerce Secretary, could perhaps explain better than myself how this deflation of currency has helped to keep out the Belgian steel goods and flood India with British-made steel goods.

Now, Sir, as I was saying a clear Rs. 29 crores would have accrued to India, out of which Rs. 13 crores would have been retained by the Government and Rs. 16 crores would still have gone into the pockets of the whole of India. This was the policy which the non-official side advocated, which would have been to the advantage of the trade interests of India if the Treasury benches had followed it. But I know, Sir, that they have no free will. They have to do what they are ordered to do and therefore they can perhaps plead their inability.

Then, Sir, the Finance Member made the strange statement that devaluation would be disastrous for the whole of India and especially disastrous for the cultivators of India. That statement, Sir, is quite in keeping with the ignorance of the officials of the Government of the condition of the masses in India. If the Honourable the Finance Member had cared to ask his Indian colleagues he would have been told that the masses in India and the cultivators in India do not spend even one or two per cent. of their incomes on foreign goods. Their domestic economy and their finances do not allow them to purchase any of the things that come from outside the country. They do not eke out sufficient even to feed themselves or to clothe themselves in the barest *khaddar* and coarse mill-made cloths. That is all that is vouchsafed to them. They have not even money to buy six pieces of clothing in a year. You say they will suffer? How can they suffer? It is impossible. It is easy to make a point in argument without substantiating it. But when you come to examine it, then you find out whether that statement has any legs to stand on or it is a mere statement made during the heat of the moment. I have a vague idea that the Honourable Sir James Grigg was somewhere in the office of the Chancellor of the Exchequer in England when England went off the gold standard. Did he make that suggestion to the Chancellor of the Exchequer that devaluation would be harmful to England, that it would be harmful for the cultivators and breeders of England? Why did he hide this fact? Why did he not tell England—

THE HONOURABLE THE PRESIDENT: He was only Private Secretary to the Chancellor. He had nothing to do with the framing of the budget.

THE HONOURABLE MR. HOSSAIN IMAM: Why did he reserve this for India? Was it in order to exploit India, where he had no one to answer to, and no power to check him, and where he has got full powers to even destroy India if he likes?

I now come to a statement wherein I am in perfect agreement with him, but where we differ only in the method to be adopted. He was pleased to say that the illness of India was poverty, and that the need of the moment was the enlargement of India's export trade. We endorse his diagnosis. But the only difference between us and him is that while he would, like Mr. Micawber, wait for something to turn up, we want that he should be up and doing. We want that he should take a more charitable view of our suggestions and we would ask him to act up to his intentions and take practical steps to increase the export trade of India. No amount of beating about the bush can controvert the fact that unless India's export trade is expanded, there will be no salvation for the poor in India.

Sir, I now come to the silver sales policy. I am very sorry that we did not get the reply to today's question on silver. In reply to the Honourable Mr. Shantidas Askuran's criticism of the silver sales policy of the Government of India, the Honourable the Finance Member was pleased to make certain statements in this House. I would like the Honourable the Finance Secretary to correct me where I may be wrong. Personally, I am in favour of replacement of surplus silver by interest yielding assets, but I do not believe that we are reduced to such straits as to sell silver at all costs, and that we are so weak as holders of silver that we should throw out our silver on the market at whatever price it can fetch. The Government of India ought to come out when the market is at its height. They ought not to have sold this silver at such low prices. The silver sales commenced in 1926 and from that time, up till March, 1934, the net loss on silver sales had amounted to more than Rs. 36 crores.

THE HONOURABLE THE PRESIDENT: Loss in what sense?

THE HONOURABLE MR. HOSSAIN IMAM: Loss in the purchase and sale price. Government would say that the loss is caused because rupees are valued at Re. 1 per tola, and they are sold at 16d. to 18d. per ounce. I would however remind the Honourable the Finance Secretary that during the war years, by the Pittman Act, we bought silver at more than a dollar an ounce, and that comes to something like Rs. 2-13-0 and that comes to a higher price per ounce than Re. 1 per tola. There was no profit. All this coinage of silver was made not to cover India's own needs but because we had to meet the rupee charges of the British Government in India, Mesopotamia and other eastern countries. If my memory serves me right, about Rs. 100 crores were coined during the four or five war years. The enormous losses we are incurring now on its sales is an indirect payment to the British Government for the cost of the war, which we are now meeting 16 years after the war. I have also another complaint, which I have voiced in this House several times, and that is, the policy of the Government in not showing the losses on silver sales under a separate account head but disguising it under the complex head of losses on revaluation of the assets of the Paper Currency Department and debiting it mostly to the head for which it was never meant, namely, the reduction and avoidance of debt. That is a very wrong form of account.

THE HONOURABLE THE PRESIDENT: Did you read Sir George Schuster's explanation of that last year?

THE HONOURABLE MR. HOSSAIN IMAM: He did not make any explanation, but simply said that Rs. 35 crores had been lost. There was no statement of account. They ought to have a special heading to show what has been lost on this transaction; if they had done so, my Honourable friend the Finance Secretary would not have had this difficulty in replying to the question of the Honourable Mr. Shantidas Askuran. That is one of the reasons why we are compelled to ask questions and wait till the Simla session to get the answer. That is because it is not shown anywhere.

Now, Sir, I would like to refer to a serious statement which I came across, and I would ask the Honourable the Finance Secretary, now or at some other time, to correct me if I am mistaken. I was told that during the war years, once the Government was compelled to purchase silver from an Indian prince at the current market rate, but the payment was made in sovereigns at Rs. 15 each when the market quotation was Rs. 18-8-0 each or—

THE HONOURABLE THE PRESIDENT: Excuse me; you are going into ancient history altogether. You have not shown what bearing it has on the present financial policy of the Government.

THE HONOURABLE MR. HOSSAIN IMAM: The bearing on the present financial policy is that we do not want our silver resources to be disposed of without the sanction of the central Legislature. In the Reserve Bank Committee we recommended that when the Reserve Bank is established, the disposal of surplus stocks of rupees should be subject to the sanction of the Legislature.

THE HONOURABLE THE PRESIDENT: Do other Governments in Europe dispose of their currency with the sanction of their Legislature?

THE HONOURABLE MR. HOSSAIN IMAM: Yes, Sir. The Honourable the Finance Member gave us an undertaking in this Committee—

THE HONOURABLE THE PRESIDENT: Never mind the undertaking. Has it been done in other countries in the world?

THE HONOURABLE MR. HOSSAIN IMAM: If Government's own action is no authority, I do not know what else can be cited as an authority! In the Report of the Reserve Bank Committee it is expressly stated in black and white that the Government will come to the central Legislature to ask how the surplus rupees arising out of the transfer of the Paper Currency Reserve and Gold Standard Reserve to the Reserve Bank will be dealt with. Now the Government is going back on that promise and I will show by the action of Sir George Schuster that he had every intention of carrying out his promise. From page 34 of the Finance Secretary's Memorandum, paragraph 52, it is clear he had no intention of selling silver, as is proved by the fact that no credit was made in the budget estimate of 1934-35 from sales of silver, under item 2(c) and in paragraph 58, item 19, a nominal loss of Rs. 5 lakhs was debited. And the Government of India in this year, in the time of Sir James Grigg, sold silver which entailed a loss of Rs. 5.88 crores, and he has proposed with impunity a loss again of Rs. 7 crores under item 19, page 36. This is the reason why I

have brought in the silver sales policy. The promise of a responsible Minister given to the Members of the Legislature, translated into action in his budget, has been controverted and that promise has not been carried out. I shall leave this question to take care of itself.

I come now to the Reserve Bank. The Reserve Bank Act was passed early in 1934. Two or three months of 1935 also have passed. The actual transfer of the assets of the Paper Currency Department to the Reserve Bank was made on the 1st April, 1935. What is the result of this creation of the Reserve Bank on the finances of the Government of India? We were told that the Reserve Bank had been created in order to facilitate the currency transactions, and we were informed that it was to damage our income from this source of currency and Gold Standard Reserve.

THE HONOURABLE THE PRESIDENT: The Act was passed last year but it came into force on the 1st April this year.

THE HONOURABLE MR. HOSSAIN IMAM: Yes, Sir, and I am going to analyse its effect on the budget of the Government of India.

THE HONOURABLE THE PRESIDENT: Is it not too premature?

THE HONOURABLE MR. HOSSAIN IMAM: It is in the budget estimates, Sir.

Now, our net income from the Gold Standard Reserve, according to the revised estimate of the Honourable Finance Secretary for the year 1934-35, comes to Rs. 154 lakhs, and the income from the Paper Currency Reserve is estimated by him for the year just completed at Rs. 68.18 lakhs, from which we have to debit the expenditure which will not appear in the current year on account of the transfer of the currency department to the Reserve Bank. That expenditure, Sir, totals Rs. 42 lakhs. Therefore, from his figures we take it that our net income from the Gold Standard Reserve and the Paper Currency Reserve during the year just ended is estimated by the Finance Department at Rs. 180 lakhs. This is the story of the past; now I come to the story of the future when the Reserve Bank will start functioning and it will transact the same business which the Government was transacting under the two names of Paper Currency Reserve and Gold Standard Reserve. The Honourable Finance Secretary's estimate of income from the profits of the Reserve Bank is the magnificent sum of Rs. 50 lakhs in place of Rs. 180 lakhs. Now, I ask the House what conclusion can we draw from that? There are only two conclusions which appear to be possible. One is that it is a gross and deliberate under-estimate, or that the creation of the Reserve Bank is simply a means to fill the coffers of the Imperial Bank of India, because the Imperial Bank of India is now going to be paid enormous sums of money, reaching nearly Rs. 60 lakhs, for transacting the very business which they were transacting up to now free of charge.

THE HONOURABLE THE PRESIDENT: They were getting from Government money free of interest.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, that money will remain now with the Reserve Bank and if the Imperial Bank could make money

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out of it why should not the Reserve Bank do the same? Why this difference of Rs. 130 lakhs, when they are carrying on this same business and reported to be carrying it on, on better and more orthodox commercial lines? Is this commercialisation that the income should fall by 70 per cent. during one year? I think we would have been justified in expecting even an increased income over what we were drawing from the Paper Currency Reserve and Gold Standard Reserve because of the new factors coming in. In former times the Paper Currency Reserve and Gold Standard Reserve had neither capital nor reserves. Now the Reserve Bank is going to have a capital of Rs. 5 crores on which they are going to pay a paltry sum of Rs. 17½ lakhs as interest to the shareholders. The latest 3 per cent. loan is still at Rs. 100-4-0. Three per cent. interest is being paid by Government, this will show that the Reserve Bank are not paying a very high rate of interest on their share capital. Then the Government has contributed a further sum of Rs. 5 crores to create a reserve. The Reserve Bank Committee had not recommended that Government should make a contribution of Rs. 5 crores for the creation of a reserve. When the Bill was passed we never understood exactly what was the meaning of it, why this reserve was being created. Now we have understood, because the provision in the Bill as originally drafted by the Reserve Bank Committee was that until a reserve equal to the share capital has been created the Reserve Bank was to deposit Rs. 50 lakhs per annum towards the creation of a reserve before it could contribute anything to the Government of India. The Finance Department then realised that as a matter of fact it will not be able to pay anything to the Government of India, and in order to mask that non-payment it was decided to create a reserve fund from the very beginning, so that the Government of India may at least receive Rs. 50 lakhs in order to throw dust into the eyes of the public.

THE HONOURABLE THE PRESIDENT: What are you arguing now? That it was unwise to create a Central Bank in India?

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir, that an income of Rs. 50 lakhs was a gross under-estimate. The Government have not complied with the provisions of the Reserve Bank Act. I am going to refer to section 21 of the Reserve Bank Act where it was laid down that every agreement entered into by the Reserve Bank and the Government of India and provincial Governments should be laid on the tables of the respective Houses. The Reserve Bank has started transacting Government business and they must be transacting it on some definite agreement, still the Government of India has not cared to comply with this though they were themselves a party to the agreement. We do not know, Sir, the text of the agreement which may have been entered into by the Reserve Bank with the Imperial Bank about their carrying on agency work of the Reserve Bank in places where there is no Branch of the Reserve Bank.

THE HONOURABLE MR. P. C. TALLENTS: Is the Honourable Member referring to section 21(4) of the Reserve Bank Act?

THE HONOURABLE MR. HOSSAIN IMAM: Yes.

THE HONOURABLE MR. P. C. TALLENTS: May I read out what that section says? It reads:

"Any agreement made under this section to which the Governor General in Council or any local Government is a party shall be laid, as soon as may be after it is made, before the central Legislature and in the case of a local Government before its local Legislature also".

It does not refer to agreements between the Reserve Bank and the Imperial Bank.

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir, it does not refer to that, but I am now referring to the agreement which might have been entered into with the Imperial Bank for carrying on agency work.

THE HONOURABLE MR. P. C. TALLENTS: That is not what the Honourable Member said just now.

THE HONOURABLE MR. HOSSAIN IMAM: We do not know the exact amount of money which is going to be given to the Imperial Bank to carry on their work as agents of the Reserve Bank, except the Schedule which forms part of the Reserve Bank Act, in which a commission rate has been fixed for carrying on Government business. Are the Imperial Bank to receive any other monies from the Reserve Bank for carrying on their currency and central banking business or not we do not know. Is the Imperial Bank going to act as the agents of the Reserve Bank to perform the currency functions also? The Government of India have created a Reserve Bank. They have transferred their assets of the Paper Currency Reserve. I do not know much of the Gold Standard Reserve goes there. No statement has been published in the Gazette of India or laid before the two Houses. What are the assets transferred by the Government of India to the Reserve Bank, because the assets of these two combined exceed all the liabilities of the currency department by Rs. 53 crores. We very much doubt if all the sterling assets of the Gold Standard Reserve have been transferred to the Reserve Bank! That might be one of the reasons why there is this under-estimate in the income from the Reserve Bank. I refer to paragraph 21 of the Finance Member's speech. He said in the other place that the Reserve Bank is not assuming full banking business till the beginning of July. Nevertheless they are carrying on transactions of the Government of India.

THE HONOURABLE THE PRESIDENT: The Reserve Bank is not officially carrying on its business till July and yet you are criticising in anticipation of their performing its business?

THE HONOURABLE MR. HOSSAIN IMAM: Our criticism is not at all on the action of the Reserve Bank but on the budget papers, the estimates of income and assets transferred—in short, the action of the Government.

THE HONOURABLE THE PRESIDENT: You must not forget that this is the first year and they had to go on some basis and the Finance Department have put forward these figures.

THE HONOURABLE MR. HOSSAIN IMAM: If the Finance Department with all its paraphernalia of Secretaries and Under Secretaries and Assistant

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Secretaries cannot come to the right conclusion, it is high time to consider what is the use of having them?

THE HONOURABLE THE PRESIDENT: It remains to be seen next year whether they have come to a right or wrong conclusion.

THE HONOURABLE MR. P. C. TALLENTS: What figure would the Honourable Member himself suggest as the revenue to be derived by the Central Government from the Reserve Bank this year.

THE HONOURABLE MR. HOSSAIN IMAM: I do not know exactly what is the amount of money which is going to be transferred to the Imperial Bank. If I had known that I could have given you a correct estimate. As you have estimated the income from the two sources, the Gold Standard Reserve and the Paper Currency Reserve to be Rs. 228 crores, I would estimate the amount at something like Rs. 50 lakhs myself.

THE HONOURABLE THE PRESIDENT: I may tell the Honourable Member that whatever the calculation may be there is absolute public confidence in the Reserve Bank, because the shares within 15 days have gone up to a premium of Rs. 25.

THE HONOURABLE MR. HOSSAIN IMAM: The ways in which the market fluctuates and the ways in which it is manipulated have no bearing on the interest-paying capacity. You know better than myself how the Tata Iron and Steel Company have gone up and down without any change in their interest-giving power. Merely as the bull or the bear is in the ascendant the market goes up or sags. In India the market is no criterion for this, especially in such speculative stock as this.

Now, Sir, I come to another item. If the Government is going to give up control of currency, why should the Controller of Currency still exist? We are told, Sir, that the currency is transferred to the Reserve Bank, but still the Controller of Currency on Rs. 3,400 per month, his private secretary at Rs. 650 a month and 28 subordinates and menials at varying rates, involving a total expenditure of Rs. 1½ lakhs are maintained? Is it because no other place could be found for this official? Is that the reason? What would be the functions of the currency authority? Now, Sir, I saw in the Gazette or in the papers an announcement that the Reserve Bank is going to issue Treasury Bills to the public. In that connection I found that it was the intention of the Government to replace the *ad hocs* in the assets of the Issue Department of the Bank by means of issuing intermediaries for the amount that matures. Personally I do not like that the Reserve Bank who are the authorities to disburse Treasury Bills should be themselves interested in purchasing them. I would therefore suggest that it would be better and more in keeping with the tenets of the practice of the other Central Banks if the Reserve Bank confined its operation in Treasury Bills to the barest possible minimum and they would be well advised if they went in for scrips of the ordinary Government of India loans. Thereby they would be doing two services. They would be really controlling the amount of currency in the market by means of their market operations of buying or selling, which they cannot do with the *ad hocs*, and secondly, they would be increasing the interest-earning capacity of their assets by replacing their Treasury Bills by Government of India scrips. The difference between

the two is about double. Treasury Bills are quoted at Rs. 1-12-0 and Rs. 1-14-0 per cent. whereas the Government of India 3½ per cent. paper you can get at Rs. 91.

I am very grateful to the Honourable the Finance Member for his unconsciously acting on my advice to some extent. I do not believe that he would have done it intentionally, but unconsciously it has been done. I refer to the fact that the Government have bought some Government of India sterling bonds in England and they are holding something like Rs. 7.87 crores worth of it with the Secretary of State. That, Sir, is a good augury and I hope that all the assets of the silver redemption fund which is going to be created as well as the share capital and the reserve of the Reserve Bank would be invested in Government of India sterling securities.

Now, Sir, I come to the very good suggestion of the Honourable the Finance Member about a sound principle of finance which he enunciated the other day in this House:

"It is only in the case of short falls that we can take advantage of windfalls".

and that is a sound proposition to which no one can take exception. When I convince the House, if not the Government, that there short falls aggregating to about Rs. 2 crores, then I hope the House will try to work up to the principle enunciated by the Honourable the Finance Member and reduce taxation to that amount by taking advantage of the windfall. He also incidentally told us, Sir, that this windfall of excess of income over expenditure have been to a certain extent wiped out by the Assembly and the Government by allotting the surplus to certain heads of expenditure. In fact, he stated that out of the Rs. 327 lakhs of the surplus which he expected, Rs. 278 lakhs have already been appropriated and Rs. 49 lakhs only were left over to be debited to the reduction and avoidance of debt. With the exception of the Rs. 1 crore which the Government proposes to spend on the village uplift programme, all the rest of it could have been either financed from capital or deferred till a better time. There was no urgency about financing them. This will be borne out by the fact that this money is to be debited to special funds and every expenditure from this amount which has been set apart will be subject to the consideration of the Legislature. This disposes of the urgency, otherwise they would have made out a programme with this expenditure. Now the Legislature has been prorogued and is not going to sit till September in Simla and therefore we cannot be responsible for having disposed of the windfall. However, we have still got Rs. 49 lakhs left which has been transferred to the head Reduction and Avoidance of Debt because there was no other place in which to keep it.

Now, Sir, I will cite two or three examples of these short falls. Take the Railways in 1933-34. There was an increase of Rs. 230 lakhs in income. In 1934-35 the estimate of increasing income was Rs. 412 lakhs, I am referring, Sir, to the income, not to excess over expenditure. And in the current year, there is an increase of Rs. 275 lakhs, so that in three years a betterment of Rs. 907 lakhs is expected or an average betterment of Rs. 3 crores per annum. Now, during the current year, our deficit was only Rs. 190 lakhs, so that we can safely hope that next year we will be able to wipe out the deficit and have an additional Rs. 110 lakhs left over to be divided up between repayment to the Depreciation Fund and repayment to the Government of India. If we make a just distribution of it and give half

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and half to each of these creditors, the Government of India can safely predict and expect an increase in their income next year of about Rs. 55 lakhs from this source alone.

The second short fall is the income of the Reserve Bank. I do not think the Government of India are prepared to plead guilty to the charge that they have inaugurated it simply to transfer some money to the Imperial Bank. It must be some mistake or under-estimate of the income. It cannot be possible that our income will fall by 70 per cent?

THE HONOURABLE THE PRESIDENT: You have said all this before.

THE HONOURABLE MR. HOSSAIN IMAM: I am now referring to the short fall. If we take the income at even Rs. 1.25 crores there is Rs. 75 lakhs of short falls of income. We cannot think that the Reserve Bank will all the time contribute only Rs. 50 lakhs, otherwise as you said, the premium would not be 116. Not until there is an excess of Rs. 4 crores, will the shareholders be entitled to get any payment from the Reserve Bank in excess of their $3\frac{1}{2}$ per cent. rate of interest, and even now the money market is not so far down as to make $2\frac{1}{2}$ per cent. an attractive investment, which is the net redemption yield on the present market quotation.

Then, Sir, there is the heading of income-tax, about which the Honourable the Finance Member told us that he is not expecting full betterment during the current financial year because the results of the betterment in the trade conditions are not reflected till one year after the close of the year in the income-tax receipts. He has budgetted for a betterment of only Rs. 36 lakhs during this year because we are not getting the full effect of the better trade conditions this year. We would not be far from the truth in estimating an increase of Rs. 50 lakhs next year.

THE HONOURABLE THE PRESIDENT: How much longer are you likely to be?

THE HONOURABLE MR. HOSSAIN IMAM: About 20 minutes, Sir.

THE HONOURABLE THE PRESIDENT: Then I will adjourn the Council now till half past two. But I would warn Honourable Members that if this Bill is not passed by half past seven this evening, I propose to convene the Council again at nine o'clock and sit till two in the morning.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, I was discussing before the luncheon adjournment what would be a conservative estimate of the short falls this year in order to justify our taking advantage of the windfalls from the excess of income over expenditure. I have accounted them under three heads. On a conservative estimate, I estimate the short fall under these three heads to Rs. 175 lakhs. Are the Government prepared to reduce taxation to the tune of Rs. 175 lakhs in view of this short fall? We leave it to the Government to decide what to do in this case.

A subject which has been discussed threadbare in this as well as in the other House is about economic planning. The Honourable the Finance Member thinks that there is absolutely no idea behind economic planning. He says it is impossible and he adheres to *laissez faire*. It is accepted on all hands that *laissez faire* is not a theory in which your belief or disbelief can do much. It becomes effective only if others also think like you. If I am a believer in *laissez faire* and I open out my markets to the rest of the world and the other parts of the world do not believe with me, and they keep on their tariff walls, what will happen? We will be swamped and others will not take any goods from us. The result will be that we will be losers. The question before the House and the Government is whether we find any tendency in the present day world to break the trade barriers, to remove quotas and other restrictions, and to open up the trade of the world. When we find no such development in the world, it is only right that we should follow in the footsteps of the others. Just as it is said that the best method of assuring peace is to be prepared for war, then war would be impossible; in the same way, in order to have a free market in the world, it is necessary that all those who believe in this theory of erecting tariff barriers should realise that it is an impossibility and a retrograde step. We can open our markets only when we find others opening their markets for our goods. Personally, I believe that economic planning for a country of such huge dimensions as India is almost an impossibility. It is a very difficult matter. It is well known that industrialisation does not give employment to the same number of people as other unmechanised things like agriculture. On industries in India something less than three million people are engaged. Consider that with the population figure of 350 millions. I also agree with the Honourable the Finance Member that there is no short cut to prosperity through industrialisation. He himself has admitted that India's export trade should be helped. What specific steps has he taken to do that? In the Assembly there were any number of statements by responsible Members of the Government that reduction in railway freights cannot be made in order to help the export trade. We have complained that the freight rates are disadvantageous to exportable goods and advantageous to imported goods. Those rates have not yet been revised. We ask for subsidies for our export trade, and we do not get it. As I pointed out the other day, there is actually an export duty on rice. Are these the steps to help the export trade? If Government are not prepared to follow the advice of economic planners, the least they can do is to give effect to their own decisions in practical ways. *It is in that spirit that I want that there must be a planned effort on the part of Government at least to increase our export trade.*

Secondly, Sir, there is another point about economic planning on which I believe even the Finance Member is in agreement, namely, that external payments are a drain on the national wealth. One way of increasing the purchasing power of the nationals is to reduce the drain on the income in the shape of external payments. At least on this proposition there is no difference of opinion even among economists. One and all of them agree that it is disadvantageous as there is no *pari passu* return for this sort of payment. Take England, where we have to make all these external payments. In England we spend something between Rs. 30 and Rs. 40 crores per annum in payment of interest charges, pensionary charges and others. This has continued for all these years. It is a wonder how India was able to continue this. The wonder is explained by the fact that

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formerly we had a surplus in merchandise of exports over imports amounting to something between Rs. 80 and Rs. 90 crores. With such a huge export surplus, we could afford to spend Rs. 40 crores without feeling the pinch because, after all, we never used to make payment in species or rupees, but only by goods, and if there is a demand for goods, that would give employment to the people in this country, and only when they are employed, they really increase the wealth of the country. Now the thing is stopped at the source. There is no employment for the people and there is consequently no creation of wealth and without the creation of wealth this payment is becoming a drain which is liable to dry up the source of income. I therefore appeal to the Government again that they can never get a better opportunity than the present moment to fund up and pay back their sterling commitments by contracting rupee loans. They should also change the rules of employment which makes pensions payable in sterling. In the new order of things no pension payment should be made in sterling at least in the case of new employees. If these two propositions are accepted by the Government we will increase the purchasing power here, because these monies would be spent in India. This is practical planning and can be undertaken without entering into the morass of what the Finance Member called imaginative finance.

If the Government of India are not prepared to listen to this advice, the next best thing they can do is to ask England to concentrate its purchases more from India, so that there will be exports from India to England corresponding to the imports from England and the invisible imports of England in the shape of these pensionary and interest charges. If England allows a balance of trade to India equivalent to our payment to England with decreasing our trade with the rest of the world then we would be perfectly content to have this thing remain as it is, because thereby we will be getting back something and getting some employment for our own people.

Then I should like to say a word about economy. We have heard too often that the expenditure of the Government of India is bloated. The expenditure is so distributed that very little, if any, opportunity for reduction of expenditure remains to the Executive or to the non-officials. We know that the charges are distributed under two main heads, interest payments and the army charges. These two constitute more than 75 per cent. of our expenditure, and the rest of it which goes to the administration side is troubled by fixed salaries which are not liable to reduction. Therefore ordinarily it seems there is very little scope of retrenchment in expenditure. I should just like to bring to the notice of Government two items of expenditure which could be reduced with very little difficulty, and these are just instances and not the whole of the economy campaign, which I hope Government will carry on all the time, because a Government with a falling income ought to be always searching for economy and no economy however small ought to be left out because it happens to be small. A hundred thousand savings of one rupee each mount up to Rs. 1 lakh. Though each may individually be worth little, in the aggregate they are worth much. Now look at the army—I am not attacking the policy or other big items. *It consists of two lakhs of men and the expenditure on its medical department comes to the staggering total of Rs. 1 crore and 62 lakhs, giving an annual expenditure per head of Rs. 80.* Have the Government ever considered that if we were to spend even an eighth part

of that on the civil population of India, I mean Rs. 10 per head, what would be the total cost of the medical department to the Government for 350 millions? It would be Rs. 350 crores, even if we spent one-eighth of the sum spent by the military. Look at the railways. They employ 700,000 men. What is their expenditure on the medical department? The Chief Commissioner is not here, he might have told us, but I am sure it is less than two rupees per head; and in the army it is Rs. 80 per head. I do not think that the central and provincial Governments together spend more on the medical department in the whole of India than the army spend on its medical department for two lakhs of men. There must be something basically wrong in such a huge expenditure on this one military department. It is in these directions that economies can be carried on with success if there is a will to retrench expenditure. Another department which is under the Honourable Finance Secretary himself can be retrenched. I refer to the interest we pay on the provident funds. At the present moment we are paying on the Reserve Bank shares $3\frac{1}{2}$ per cent., and they are quoted at a premium of 16. We have a 3 per cent. loan which is quoted at a premium of Rs. 1-4-0 over its issue price and of 4 annas over its face value. We are issuing post office cash certificates at 3 per cent. compound interest. Is there any reason why the provident funds alone should be given 5 per cent. at this time? Cannot the Government get any money from anywhere else at a cheaper rate? Are their servants so poor and destitute that special consideration must be shown to them? And the amount of money involved is enormous. *If the interest on provident funds were to be reduced to $3\frac{1}{2}$ per cent. even there would be a saving of Rs. 123 lakhs to the central Government.* It is the cumulative effect of these many small economies which no one cares to look into which would amount to several crores. Perhaps some of my friends might think that I am suggesting something which has no sanction of precedent and we always look for precedent. In this case, during the last financial year the Government were paying $5\frac{1}{2}$ per cent. on these provident funds. This year they have reduced it to 5 per cent. May I hope that next year they will reduce it to 4 per cent. and thereby save us something like Rs. 80 lakhs per annum under this one head alone.

Sir, I started by saying that it is time that the Government of India and the people of India composed their differences and came to a settlement. But that cannot happen if only one party wants to settle. Just as there must be two to make a quarrel, there must be two also to compose a difference. If there is a will and a desire on behalf of non-officials to help you, the Government of India have to be responsive, and when the Government of India are responsive the Opposition has to be considerate. Unless we have co-operation by mutual give and take on both sides, there can be no salvation, and the present Finance Bill suffers from a dearth of this thing. There is no effort made by the Government to do anything to meet the Opposition. Even small amendments which would have involved losses of Rs. 15 or Rs. 20 lakhs have not been accepted by the Government. If the Government is so unreasonable, they cannot expect us to do anything better than what has been done as they are in a better position than us and everything that they do can be copied by us as coming from authority and therefore having the sanction of practice and precedent behind it. If the Government is not prepared to give in on any point, they cannot expect us to co-operate with them at all costs. Therefore, Sir, we have no option left but to oppose the Finance Bill.

THE HONOURABLE MR. P. C. D. CHARI (Burma: General): Sir, I do not want to give a silent vote on the Finance Bill which has once again come to this House in a certified form. You reminded me, Sir, that the Bill has come certified to this House six times before. I am aware that certification has almost become a normal feature of the financial budgets under the Montagu-Chelmsford Reforms. In all democratic countries the upper House has nothing to do with money Bills. Under the present constitution the upper House has got the right to vote on money Bills and the constitution has been so devised as to guarantee the passage of money Bills rejected by the other House, in a House like this which is considered as one of the strongholds of the bureaucracy. The constitution of the House has been so devised and the foundations of this House have been well and truly laid to play the part of the stronghold of the bureaucracy. The foundations are 27 feet deep in the shape of official and nominated Members and there is not the ghost of a chance of any opposition doing any effective work in this House when a Bill of this type is brought forward.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Is not there a non-official majority in this House?

THE HONOURABLE MR. P. C. D. CHARI: We have got 33 elected Members but then the three form the concrete flooring of this House, which has been well and deeply laid, and it hardly leaves 30 and even if all the 30 Members vote against the Bill, which is very unlikely, it is not possible for us to succeed, because we have not got the device which the Government has ready to hand to replace the nominated Members who may be absent even for a short interval on account of unforeseen circumstances. We cannot do any such thing and under normal conditions there will be one or two absentees. So it is a dead certainty for the Government to have any Bill rejected by the other House carried here without any trouble, and the official Whip has got a very soft job. He need not approach any Member; he can be always certain of a decided majority. The only thing he has to do is to see that the business of the House is expeditiously transacted and the Bill is not held up here even for a couple of days. That is the only work which the official Whip has got to do in this House. Sir, as I have said before, six times before has a certified Bill come before this House and this obliging body has always passed the certified Bills without any trouble to the Government and we shall have a repetition of that process during this year. It is only on occasions like this that I feel the deepest humiliation as a Member of this House.

THE HONOURABLE MR. BIJAY KUMAR BASU: Resign!

THE HONOURABLE MR. P. C. D. CHARI: Yes, my friend the Honourable Mr. Basu says resign. I shall presently give the reasons why the Members of the Opposition ought not to resign but should have the courage of their conviction and stand up in a House like this.

THE HONOURABLE MR. BIJAY KUMAR BASU: And be humiliated!

THE HONOURABLE MR. P. C. D. CHARI: Be subject to humiliation and at the same time to lay a dignified protest against the procedure that has been adopted in this House.

Sir, during the long period of enforced inactivity, I watched the proceedings of the other place. The Government came forward as usual with a cut and dried programme of expenses and a programme of taxation. The other House went through the formula of the Demands for Grants and refused most of the Demands and the reasons for refusing those Demands were really very sound. They said they were not opposed to these expenses. What they said was that Government had a programme of capital expenditure under certain heads, like civil aviation, broadcasting and the transfer of the Pusa Institute. Government originally did not contemplate that the capital expenditure should be financed out of revenue surplus. The other House finding that the Government wanted to fritter away a revenue surplus which had come in said: "Utilise these revenue surpluses derived from this emergency taxation, which is the cause of the surplus, first of all to reduce taxation under which the people of the country are groaning. If you want these programmes to be urgently pushed on, by all means do so by a programme of capital expenditure". This is a very reasonable attitude and this was not really an attitude taken up by Members who are bent upon refusing supplies for no rhyme or reason. They had the best of reasons for refusing Demands. Then what did the Government do? They went through the formula of certifying these demands which were refused by the other House. Then, as regards proposals for taxation, various sections of the popular House came forward with proposals for reduction of taxation. I carefully listened to the debates and there was no intention on the part of any section of the other House to make proposals for a change which were not justified by sound reason. There were five such proposals which were carried by substantial majorities. The reduction of the salt duty to 12 annas was carried by a majority of 73 against 43; the two pice postcard was decided by the vote of the other House by 79 against 44.

THE HONOURABLE THE PRESIDENT: We all know what happened in the other House; it is not necessary to recite it.

THE HONOURABLE MR. P. C. D. CHARI: So long as it is relevant, Sir, I am entitled to refer to it, and if you are prepared to rule me out, I have no option but to sit down.

THE HONOURABLE THE PRESIDENT: I do not want to rule you out. I wanted to draw your attention.

THE HONOURABLE MR. P. C. D. CHARI: I am drawing the attention of the House to the voting figures. The proposal to reduce postage on letters was carried by a majority of 80 against 35 and the cheaper packets proposal was carried by a majority of 84 against 49 and the proposal to make the minimum income for income-tax purposes Rs. 2,000 was agreed to by the vote of the House. These are very reasonable proposals and they came from different sections of the House. Well, so far we have been told that, excepting the proposal to reduce the salt tax which would have meant a loss of income to the tune of Rs. 3 crores and 25 lakhs, the changes proposed under the other heads would have meant a loss of income of only Rs. 1 crore and 70 lakhs; and as the Finance Member put to this House the other day, the changes proposed involve a loss to the budget ranging from Rs. 6 lakhs to Rs. 325

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lakhs. What did the Government do? The Government adopted a different attitude from the one which the Finance Member adopted during the last occasion in 1931, and in the course of my speech I shall trace the psychology underlying the difference in the attitude of the Government. The result is that the Government could not accept any change which came from the popular House. Even a proposal to add to the income of the Government by Rs. 7 lakhs by retaining the export duty on skins was rejected. The Government in the fitness of things thought that the safety, tranquillity and interests of British India required that all these proposals should be turned down and it is a great pity that none of these changes were accepted. What is the significance of this intransigent attitude? This shows that Government was not inclined to accept any change and to make even a token concession for the worth and utility of the Members of the two Houses of the Legislature. At least in 1931 the Finance Member in the course of the debate, while bringing a certified measure only for certain of the items and accepting all the other items, said the changes made were bad from a financial point of view but still with a view to accommodate the vote of the House he accepted the changes under a number of heads and brought in certification only with regard to the heads on which he could not see eye to eye with the other House. This shows that the Government of India does not care a brass farthing for the opinion expressed by the Members of the Legislature. The whole question is not a question of the budgetary position or the financial inconvenience of accepting the changes but it is a question purely of political expediency. This attitude of the Finance Member was very well explained in the closing speech of the Finance Member himself in the other place. Quoting Sir George Schuster, the Finance Member said in the other place that under the constitution he could not put the responsibility on other shoulders than his own. So far he was right. But he persisted further and in answer to a request by Sir Cowasji Jehangir in another place that Government had not thought fit to accept even a single voted proposal, the Finance Member with refreshing candour said that this demand and this suggestion by Sir Cowasji Jehangir to make a choice out of the amendments passed was not fair to a Government which had already made its choice; thereby meaning that when they framed the taxation proposals they had made their choice and they were not going to allow themselves to be influenced by any consideration or by any views or expressions made in the other House. This attitude of intransigence is entirely inexplicable except on one assumption, and it is this, that it is the sole province of the Government of India to decide what shall be the expenses incurred and what shall be the taxation. But this attitude is a fraud on the constitution itself. Though the Montagu-Chelmsford Reforms and the present Government of India Act do not make the Executive responsible to the Legislature it certainly compels the Executive to be responsive to the views of the Legislature. It is with this object that the framers of the Act thought fit to insist upon a certain portion of the expenses being brought forward before the Legislature for the purpose of voting on the demands. It is for this purpose that certain items of taxation which have to be repeated from year to year in the annual Finance Act have to be placed before the two Houses of the Legislature. So that the opinions expressed and the changes advocated in both the Houses may have some effect upon the policy of the Government. Otherwise the Government has got a moral obligation to be responsive under the present Government of India Act.

And it is a defiance of the spirit of the Act, it is a refusal to follow the spirit of the Act on the part of the Finance Member that the Government of India in insisting that they have got a right to make a choice beforehand and that in spite of the wishes of the Legislature they have got the right to carry through their own programme. No doubt, as the last resort, the Government has got the power of certification and the demands and the finance proposals of the Government contained in the Finance Act may be certified and passed into law if it is necessary in the interests of the safety, tranquillity and interests of British India.

Well, Sir, examining the speech of the Honourable the Finance Member, he himself said that so long as the attitude of obstruction and destruction is persisted in in the other place, so long must Government resort to their emergency powers. So, according to the Finance Member, the consideration necessitating certification was not the financial needs and circumstances of the country, but the attitude of the Opposition in the other place. In other words, certification is to be decided upon on political considerations, not on the financial needs and circumstances of the country. If the Government are not satisfied with the attitude of the Opposition in the other place, then what they say is whether the financial needs of the country require it or not, they will punish the people who have been responsible for returning these people to carry on this policy of obstruction and destruction. The Congress Party has come into the Assembly with the avowed object of preventing the Government doing further mischief through the Legislatures and to prevent the abuse of the powers of the Government."

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: For non-co-operating then?

THE HONOURABLE MR. P. C. D. CHARI: That is the main object with which they have come into the Legislature. Government now have got the opportunity of telling the people, "Well, you thought that by sending these people to the Legislature, you can prevent mischief. Look here, the ultimate repository of power is the Government. The fact that you have sent these people to the Legislature means that you ought to be punished and we shall punish you; even though the financial needs and circumstances of the country do not require the certification of certain measures of taxation, we shall do it to show that you ought to behave better in future."

THE HONOURABLE THE PRESIDENT: That is your interpretation?

THE HONOURABLE MR. P. C. D. CHARI: That is my humble interpretation, and I am entitled to take the House with me in that interpretation. That is how I view it. There is also another point. In so far as the other parties including the European Group who have associated themselves with this Party of white caps are concerned, Government tell them, "You also deserve punishment; none of your proposals will be accepted because they are tainted with association and with the vote of those much hated representatives of the Congress. You shall suffer for it". There is also one other object behind this. To my mind, it seems that the die-hards are fighting against the so-called granting of greater powers to the people of India. Here is a political drama being staged at Delhi. The Tory die-hards are given a concrete lesson as to how the present Government and the future Government will probably behave under similar circumstances.

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They show that even though the financial needs and circumstances of the country may not require it, they shall uphold the prestige of the British and they will not allow any other consideration, however financially sound, to enter their minds. So long as the people's representatives want a particular change, they will not allow it, and there is no reason to think that the coming constitution will be worked in a different spirit so long as they are there and so long as the Moghul at Whitehall can pull the strings and make the present Members of the Government of India dance to his tune. That seems to be the cause of the change in the attitude of the Government as compared to their attitude in 1931. In 1931, they were anxious to work the constitution in a real spirit of responsiveness. They were anxious to impress upon the legislators then who were not representatives of the Congress. Their attitude then was responsive. Now, so long as the country favours the Congress people, the Government will not accede to any of the popular demands. The net result is that the Congress is bound to show up the naked autocracy of British rule in India. What is our function? The function assigned to this Council is to clothe the nakedness of autocracy of British rule in India by giving these high-handed acts of the bureaucracy a clothing of popular opinion. Sir, for my part, self-respect demands that I should not be a party to this clothing of the naked autocracy of British rule in India, and I shall not vote for this Bill. The position is that we can neither end this Bill nor mend it, and the only answer which the elected Members of this House can give is that though they cannot end or mend it by a vote of the House, they can say that they shall not be a party to this shameless show of force which is at the back of a certified Bill. If you want to tax the people, if you want to insist upon not showing even an atom of concession to the worth and utility of the Legislature, we shall answer you in the same strain and tell you that we shall not be a party to a certified Bill and we shall not have any responsibility in forcing this measure on the country.

Sir, I oppose this Bill.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, before making my observations on the Motion before the House, I should like to tender my congratulations to the Honourable the Leader of the House on the speech which he made the other day. Sir, it was indeed a very remarkable speech, remarkable not only for its high order of eloquence, not only for the great debating skill which it displayed, but remarkable also and from our point of view particularly so, for the conciliatory tone which marked it throughout. Sir, even though the Honourable the Leader of the House failed to see eye to eye with the non-officials, he had the fairness to recognise the honesty of purpose of those who held a different view. Sir, unless one has the breadth of view to appreciate honest difference of opinion one would not find himself in a position to make even the least effort to reconcile differences and to come to a compromise. I am glad that in the Honourable Leader of the House we have got one who, recognising as he does, the honesty of motive of those who cannot see eye to eye with him, can be depended upon not to thrust aside contemptuously the views of his opponents but to make an honest effort to reconcile himself to those views.

As regards the Bill before the House I feel that it has come to us in a very extraordinary form. The Honourable Law Member was at considerable pains the other day to show that the form in which the Bill has

come to us on this occasion is not an extraordinary one, that since 1923 this has been the form which more often than not was the form in which the Bill used to be placed before this House. Even if that view is correct, it does not go to extenuate the circumstances under which the Bill has come here. All that it does is only to show that those whose duty or privilege it was to advise His Excellency the Governor General have not often found themselves in a position to carry on in a way that powers which were intended to be used only on extraordinary occasions should be used only on exceptional occasions. Whatever it might be, I feel that on this occasion too it was highly regrettable that those who advised His Excellency to send back the Bill to the Legislative Assembly in a recommended form were not able to see their way to meet the wishes of that House in respect of some at least of the changes that that House desired to be effected in the original proposals. If they had only met that House half way and had acted in a spirit of give and take, it is very probable that the Finance Bill would have been passed by the other House and thereby the necessity would have been avoided of placing that Bill in the form in which it has come here. It would not indeed have been possible to give effect to every single suggestion made by that House, but it cannot be contended that it was impossible to give effect to at least some of those suggestions. The recommendation of the Assembly regarding the reduction of the salt duty could not indeed have been accepted, for to do so would have been to forego a revenue of Rs. 3 to Rs. 4 crores. But what about other recommendations? What about the refusal of the Government even to agree to retain the duty on skins which would have brought a few lakhs to the Indian exchequer? Even this the Finance Member could not persuade himself to do, since he was afraid that by swerving from his proposals even by a hair's breadth there was a possibility of his budget not being balanced. I do not know what charm there is in having the budget balanced if at the same time an attempt is not made to take into consideration all other things which are also the duty of the Government to look to. Of what avail is the balancing of the budget when millions of people find themselves unable to make both ends meet? Of what avail is the balancing of the budget when the agriculturists, who form three-fourths of the population, find themselves in a plight which grows from bad to worse every day?

Again, Sir, how has this Government been able to tide over the financial difficulties during all these years of stress and strain? Certainly it was not only the Finance Department and the policy of sound finance pursued by that Department which had helped the Government to tide over those difficulties. The people of the country, all of them, also did their bit in helping the Government. All classes, the rich, the middle and the poor, submitted themselves to terrible sacrifices. They put up with hardship and privations and a considerable amount of inconvenience. Is it not natural then that when things are looking better and the financial position is somewhat easier that they should expect to be afforded some relief? These people in spite of their own difficulties had cheerfully submitted to the burden of taxation imposed on account of emergency. Do not these people have a claim to some relief? But what does the Government say? The Government says, "No", "no", even to partial relief. The claim of the people even to a small relief is denied by the Government, while it hastens to remove even the part of the cut to which the salaries of Government servants were subjected. I do not see why this invidious distinction should have been shown in the matter of affording relief to people who

[Saiyed Mohamed Padshah Sahib Bahadur.]

have been made to bear the additional burden of taxation on account of the emergency? I do not see why this preference should have been shown except for the pledge which was given, a pledge given so gratuitously to these people at the time the cut was imposed. I am of opinion that Government servants are the last class of people who should have been considered to be entitled to any form of relief, because even with the original cut of 10 per cent. the Government servants were not badly off, especially those at the top. They were quite all right in spite of the cut, since the prices of commodities in the country had fallen by about 50 per cent. It was therefore very wrong on the part of the Government to have given this pledge and thereby committed themselves to a course of action which has resulted in such great injustice to other classes of people. It is this restoration of the cut which has forced several provinces to budget for deficits. It is this which is crippling the resources of the provinces, making it impossible for them to continue their beneficent activities in the nation-building departments. It is a pity that the Government could find Rs. 2 crores to restore these cuts while a few lakhs could not be found to give relief to the general taxpayer. It is a pity that, even if the one pice postcard could not be reintroduced, the Government could not see their way to bring down the postcard to two pice, which was the price before the emergency rate of three pice was introduced. Even this small relief could not be afforded although to millions of the poor the postcard is the only means of communication. What is the use of spending money on broadcasting, when people in the country are not in a position to take advantage even of the postal facilities?

Without disturbing the budgetary position, the Government could easily have accepted one or two amendments carried by the Legislative Assembly and I am of opinion that they should have done whatever was possible in their power to accept at least those amendments which went to benefit the poorer sections. I mean they should have accepted the amendments regarding postal rates, at least the amendments relating to postcards and the one anna letter; after all it would not have cost much. According to the Finance Member the loss would have been about Rs. 50 to Rs. 60 lakhs. If from this loss we deduct the income that should have accrued to the Government by retaining the duty on skins the loss comes down to Rs. 40 or Rs. 50 lakhs and even this estimate is on the basis of the present state of affairs. It does not require much imagination to realise that when the rate is reduced there is bound to be an increase in the volume of correspondence and with this increase it is just possible that this loss would have been reduced to Rs. 30 or Rs. 40 lakhs at the most. It is idle to contend that even this small loss could not be adjusted. It could not be said that the estimates of income have been so correctly formulated by the Finance Department that there is no possibility of any excess. Our own experience is that these estimates are very cautious and more often than not there are surpluses and even this year with the conditions in the country showing an upward tendency I am quite sure that the surplus that should have resulted this year would be more than what would have been necessary to cover this loss on account of the reduction in postal rates.

Sir, I think I shall not be fair if I do not also express my opinion as to the way in which those people in the Assembly who carried those amendments did their part. My own impression is that if those in the Assembly who carried such a large number of amendments had not overdone their

part, if they had only concentrated upon one or two items of importance and carried amendments in those respects, I am sure they would have made it impossible for the Government to resist their demand. But anyway even if those people had not done their part properly, this is no excuse for the Government not to have done their part properly. The Government knew that there were one or two amendments which were carried in the Assembly which were very largely supported by the non-official section of the House. If they had accepted those amendments they would have carried the House with them and the result would have been that the whole Finance Bill would not have been turned down. On the other hand, it would have been quite possible for the Government to have the Finance Bill passed in that House and I think that would have been much better than taking refuge in the extraordinary powers which are reserved to be used only on occasions of emergency. It could not be said that the budget was so accurately framed that there could not be an excess of income or a short fall. Just to give an instance of how there are still ways by which economies could be effected in the expenditure of the Government of India I would draw attention to the office of Controller of Currency to which reference was made by my Honourable friend Mr. Hossain Imam. Now that the Reserve Bank is going to take over the currency functions, I do not see there is any justification for retaining this office. The Controller of Currency with his high salary and his assistants and the whole paraphernalia of office staff should cost the Government a good bit. If this office was abandoned and similar retrenchments carried out in different directions, I am sure the Government would have been able to find ways and means by which they could have covered the loss which would have accrued by accepting one or two of the amendments carried by the Legislative Assembly. If they had done so it would have avoided the necessity of invoking these extraordinary powers. They would have also shown their readiness to be responsive to the popular opinion and that would have been very good not only for the present Government but also for the future Government. It is very regrettable to find that the Government do not seem to pay much heed to the opinions of elected representatives in the Legislature. If this is the attitude of the Government, Sir, today when everyone of the representatives could claim to have been directly elected by the people in the country, I wonder, Sir, what the attitude of the Government would be in the future towards Members of the Legislature when those Members would have been elected only indirectly.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJÍ CHOKSY (Bombay: Nominated Non-Official) : Sir, the present constitution has been in existence for some 14 years; within a short time it will cease to exist. The sands of time are running fast, and it is in the last throes of dissolution. Under these circumstances I question the propriety of analysing and dissecting all its defects just at the fag end? Time was when those analyses could have been made with profit and improvements suggested, but those who had to work the constitution remained silent and stilly; they non-co-operated. I do not care to delve into the events that heralded or followed its introduction for want of time. I would therefore confine my remarks to the budget and the Finance Bill.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Mr. Bijay Kumar Basu.)

[Khan Bahadur Dr. Sir Nasarvanji Choksy.]

It is a matter for satisfaction that for the first time after many years there has been a reduction in various items of taxation as also that the sum of Rs. 1 crore has been provided for rural development. It has been suggested or rather feared that most of the money would be spent in creating appointments, but that is not so. It is true that the agricultural population in India is highly indebted, and is subject to the tender mercies of the sowcar, who lends him money. It has social expenses of a most uneconomic kind and besides is handicapped by prolonged litigation. These are some of their besetting sins and thus it is that they can hardly lay by enough to buy new implements or improve on the old hereditary methods of cultivation. But, Sir, as if that were not enough, there are middlemen who suck their lifeblood and reap their profits. In India unfortunately there is a coterie of financial and commercial magnates whose agents roam all over the country and rig the market according as it suits the pockets of their masters. If the masters are afraid that they are likely to lose some of their illicit gains, up goes the hollow cry: "Oh, the poor are being deprived of their living! They are not able to get their livelihood!" The cry is not for the poor and the needy; it is the cry for their own pockets!

As regards rural development, one method is that of the work of Mr. Brayne who has done so much in the Punjab. I was informed the other day that his activities have been considerably curtailed through want of adequate means. But I hope that as Commissioner he will now have ample funds at his disposal. There is however another experiment of a very large kind which has been carried out in one of the Indian States, namely, the State of Baroda. His Highness the Gaekwar of Baroda introduced a system of rural development over 20 years ago and for that object he depended upon the same agency as that utilised by Mr. Brayne, namely, the village schoolmaster, whom he styles the Village Dynamo. It is his dynamic energy that spreads the knowledge of rural improvement to each and every institution which comes within the purview of his village. The State has a training college for educating village schoolmasters, where he is taught the art of education, agriculture, social and economic principles, in fact everything that conduces to the interest and well-being of the people committed to his care. So that now in the State of Baroda there are 6,500 village teachers who go about and spread knowledge and improve the conditions of the people. The idea inculcated in the villagers is that there should be a better standard for living: "The will to live better". Well, Sir, such are the examples that can profitably be copied and adopted in British India. These village schoolmasters go into every item that concerns village life in all its aspects. The village panchayats are given a part of the cess to meet the necessary expenditure. (An Honourable Member: "Do these schoolmasters render any monetary help?") Why should they? It is to their benefit to learn. They educate them; they are shrewd and not so ignorant as not to know where their interests lie.

Then, Sir, it has been said there should be industrialisation of India—its agricultural aspect should be subordinated if not altogether set aside in favour of industrial development. It is not an easy thing to convert an agricultural population into an industrial one and those who have done it on the largest scale have burnt their fingers. Unfortunately at present we are being flooded with a lot of propagandist literature about Soviet

Russia—descriptive of the enormous gains of industrialisation there and of the great benefits that have accrued from the 5-year and 10-year plans. Those, however, who have access to independent information have seen that there has been great improvement but not as much as was anticipated but at what cost? The most ruthless exploitation of the masses, the most drastic, even capital, punishments for ineptitude or errors. I wonder whether Indian workers would like to replace their so-called capitalist masters by such State masters that are no better than slave drivers—cruel, heartless and pitiless.

Then, Sir, another aspect of industrialisation is that the greater the mechanisation, the greater the reduction in man power with the result that millions of men in England, in Germany and in the United States and elsewhere are without employment at the present day. They are either on the unemployment insurance list or on the dole. Although America is the richest country in the world it has not yet been able to solve the problem of unemployment. (An Honourable Member: "Does not America allow any dole to these poor people?") No, there is no dole in America yet. It is only in Great Britain that the system prevails. It has been a great incubus upon the country; and it was greatly increased by the last Labour Government.

One question, Sir, which I regret has not been given attention to is the provision of adequate medical relief and the quinine policy of the Government. I should have thought that some part at least of the grant for rural development should have been set apart or other provision made to supply quinine which is required in the largest quantity in India. India does not produce enough. It must be either given free or at a reduced rate. Some Governments are already doing it but I think it wants much more universal application.

Then, Sir, coming to the army and defence services, my Honourable friend Mr. Sapru the other day compared the relative income per head in various countries but he did not state what the defence expenditure in India was. It is the lowest in the world, as it comes to Rs. 1-8-0 per head. By far the most important question in regard to defence is that India is no longer an isolated entity. It has now become part of world politics and it must rise and fall with the progress all around it. There is a solid block on our north-west stretching from the Frontier to the Mediterranean, the Red Sea, and the Persian Gulf that is anything but friendly to the British. There is the penetration of Russia into Chinese Turkestan and outer Mongolia. Then there is Japan making its way into Inner Mongolia and Tibet, and now we learn that Japan is entering into commercial relations with Siam. Is it not thus a fact that India as a country is in the process of being encircled by people who though not ostensibly hostile are not friendly to it? This is a vast country whose defence is a matter of vital interests to us. I do not propose to go into the military aspects of it but those who ask for a reduction in the army should remember the present day aspect, and its repercussion upon our future. (An Honourable Member: "Ask for an increase!") Well my Honourable friend should know if he does not that we are within striking distance of Soviet Russia on the north-west, and that some of the beautiful cities of India would be annihilated in no time, by an aerial attack from that direction.

Then, Sir, he should not forget what the *Bomben* did during the Great War. It bombarded Madras and it laid mines right up to the mouth of

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the Bombay Harbour. If it did not attack Bombay, it was due to the long range guns of its battery. If she had gone up the Hooghly what would it have done? All these episodes are being most unfortunately forgotten. And in addition to all that there exists the vast coastline of India which is practically undefended. These are circumstances which we should not overlook in criticising the Defence of India.

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

Then again, Sir, there are those unfortunate communal clashes. Is it not a fact that when they occur the people demand the intervention of British troops and not of Indian troops to quell such disturbances? It has been said over and over again that we want British troops to guard our beaches and homes lest the latter be led away by their own communal feelings.

As regards retrenchment in the Defence Services. No doubt, retrenchment should continue. But such communal clashes as have lately occurred would mean only one thing, viz., that in every town with a combined population, Government should have to post troops to prevent such contingencies. What would then be the position in India at large? The country would be converted into a large camp. Would you then increase your army, or reduce or revert to its redistribution as it existed in the pre-Kitchener days?

Much has been said about Indianisation. The sources of Indianisation are from Sandhurst and Dehra Dun though the former has now ceased to exist. Of the 248 cadets who came out from Sandhurst between 1923 and 1934, 47 either resigned or retired. This ratio comes to about 19 per cent. I should like to know whether such a casualty rate occurs in the British Army? If 19 per cent. of the cadets have to resign or retire within a few years of their taking commissions, and if that ratio should prevail, I ask how can Indianisation progress? Several Members of the central Legislature have time and again referred to it but no one has hitherto formulated a programme and demonstrated how it could be done. Is it possible for a boy who enters school at the age of 14 to become a High Court Judge within 10 years? If that is impossible, similarly you cannot expect a subaltern to command a battalion within a similar period. How can Indianisation be possible at that rate? You may double or treble your Dehra Dun output of cadets, but you are not likely to have the number of officers you require for your army for a considerable time to come.

THE HONOURABLE MR. HOSSAIN IMAM: How do the officials in the civil departments come up?

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: The civil and the military services are not alike. Their duties are quite different. I would ask any Honourable Member of this House or any district officer to say confidently whether he would like to see a reduction in the number of British troops that are retained in India at present having due regard to the prevalent circumstances and conditions?

My Honourable friend Mr. Banerjee made some reference to the Indian Mercantile Marine Training Ship *Dufferin*. I have been on board that ship

on more than one occasion. I have seen the education imparted to the students, and the great interest taken by the Captain Superintendent, Commander Digby Beste, and his competent and zealous staff.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I made no allegation about the education.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: You said something about exploitation if I remember. There exists nothing of the kind. When the Honourable Sir Joseph Bhore lately distributed the prizes, there were a few Anglo-Indian cadets. A large number of Indians, however, came from the United Provinces and the Punjab; some of the Sikhs won the best of prizes. But surprise was expressed why Bombay, which is a maritime province, did not send a sufficient number of cadets. I think my Honourable friend Mr. Banerjee will be glad to learn that last year, six of the cadets from the *Dufferin* were taken on in the Pilot Service of the Hooghly and they will be ever grateful to the *Dufferin* where they received their education.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What has that got to do with the Finance Bill?

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: It is Indianisation in another sphere.

India, Sir, most unfortunately suffers from a great deal of gullibility. People are so gullible that everything that appears in cold print is taken as gospel truth. They have no reasoning power and thus it is that full advantage is taken of this defect by the idols of the market place who harangue them, and every word that they say is taken at its face value. The result is that people's minds become perverted and popular ideas are not what they should be. The darkest side of the picture is placed before the public and what Government has done for the benefit of the masses is entirely ignored or wilfully distorted. I have yet to hear in this House—it has not even been referred to in another place—a single word of praise bestowed upon Government for the prompt measures they took for relief of the Bihar earthquake and the sufferers. If you were to read the book lately circulated to us, go through the various details of those measures, the labour involved, and the zeal and promptitude displayed by Government officers of all grades, civil and military, you will find that that is a document that would do credit to any civilised Government in the world. Sir, similarly famine and flood and epidemic relief, revenue suspensions, remissions, and *tagavi* advances are deliberately forgotten. Quite a different and untrue picture is presented. By whom? By those who pose as the friends of the poor masses! That is their contribution!

THE HONOURABLE MR. BIJAY KUMAR BASU: They take it as a matter of course.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Unfortunately, there exists exuberant verbosity, there is invective, there is furious declamation. I do not say that this would endure for ever or that sensible people would fail to realise their true import. The time may come when those idols of the market place, who have feet of clay, would topple over at the first breath of a blast. Well, Sir, the time has come

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when India should display some constructive skill, something useful, something that will be good for the people of the country. Mock heroics, declamation or invective do not lead us anywhere. It was once said that we want a constitution suited to the genius of our people. I have been waiting for years to see that genius expounded and explained. That expression has been repeated over and over again. Where is that genius? Where that constructive ability that is so badly wanted? Is it not a fact that Indian faculties have become benumbed; nay they have atrophied from misuse or sheer neglect. India exhibits the sad picture of political bankruptcy.

Sir, I cordially support the Motion for the consideration of the Finance Bill. I am an old man of nearly 74, the oldest Member present today. I have been studying for years the trend of public policies and their disastrous results to this poor benighted India. I too once belonged to the Congress during its better days, alas, now no more! Let me warn you that the time has come when your policy should be changed, your outlook enlarged, if you are really solicitous for the interests of India, lest the nemesis that you have threatened the Government with overwhelms you.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, before I begin my observations on the Finance Bill, I want to heartily congratulate the Honourable the Leader of the House on the maiden speech that he made the other day and the sentiments that he expressed therein. Sir, the Honourable Kunwar Jagdish Prasad comes of a noble family in the United Provinces and is a shining star of the Indian Civil Service. We hope that through his tact and ability, the dignity and status of this House will be maintained and the Members will have full chance of expressing freely their views and of impressing them on the Treasury benches.

Sir, a lot of ground which I wanted to cover has already been covered by my Honourable colleagues. The speeches of my Honourable friends Mr. Sapru, Mr. Hossain Imam and Mr. Chari and others prove that the majority of the Members of this House feel aggrieved at the action taken by the Government in sending the Bill to this House in a certified and recommended form. Sir, in India the budget is based on a wrong basis. You decide upon the expenditure first and then you try to balance that expenditure on the income side by adding to the taxation on the country. Is that a sound way of balancing the budget? Can we congratulate the Honourable the Finance Member on this way of balancing the budget? I do not hold that this is the right way of balancing the budget and of proving to the world that India is prosperous.

I must say that during the past few years our income has been heavily under-estimated and our expenditure has been heavily over-estimated, with the result that the people have been taxed more and more. I would therefore request the Government to leave this estimated budget altogether and to present to this House actual figures for the budget some time in April or May, as is done in the British Parliament. It is not much use presenting us an estimated budget. After all the Finance Member cannot be an astrologer and he for his own sake has to keep more than a reasonable margin to ensure his accounting. I therefore seriously request the Government to consider this matter and in future present to us

actual receipts and expenditure and not estimated receipts and expenditure. As far as the provinces are concerned, perhaps it may be essential for them to give us a statement of their estimated income and expenditure, but that is not necessary in the case of the central Government. That will do away with the present state of affairs under which the poor people suffer because of the mistakes in estimates of the Finance Department.

Sir, I must say that political grounds ought not to bear on the framing of the Indian budget. In the present budget we find various political considerations have reduced the surplus of the next year. In the year 1913-14 the expenditure on the army was about Rs. 29 crores. Now the proposed expenditure on the army in the coming year is in the vicinity of Rs. 45 crores. During my budget speech I besought His Excellency the Commander-in-Chief to let this House know why the military expenditure has been increased to this point, whether our relations with our neighbouring countries has been strained, and, if not, where was the reason for practically doubling the army expenditure? It is a pity that I got no reply from His Excellency on that point. As regards the observation of my friend Sir Nasarvanji Choksy, I must say that from the time when I was a child I used to hear that Russia is going to invade India, and that sentiment even now prevails. It may have been magnified of late, but this bogey of invasion from Russia is there. There is no new reason now for inflating army expenditure. Some time back, if I remember aright, the then Commander-in-Chief told us that as the Royal Air Force had been brought into being the other arms of the army would be decreased. My friend Sir Nasarvanji Choksy was right in saying that the Indian frontier is a matter of about a few minutes flight from Central Asia. To meet that contingency we require an air force and not land forces. As far as my information goes, it was then said that cavalry was a thing of the past and will be materially reduced. However, Sir, we must frame our budget according to our income and not upon the expenditure decided on by the Government of India or the Secretary of State. As far as my information goes, the people are under the impression that though the Government of India did not like to restore the salary cuts, the cuts were restored at the dictation of higher authorities. If I am wrong I hope the Honourable Mr. Tallents will put me right. But if one part of the pledge was to be honoured, why was not the other part complied with? I must say that the Ministers who advised His Excellency to certify the Bill, advised him wrongly. They talk about tranquillity amongst other subjects. Do you mean that there is tranquillity in the minds of the starving people? Do you mean that there is tranquillity in the mind of the educated or uneducated person who had to sell even their daughters to pay Government land revenue is tranquil in his mind? Certainly not. So I must say with due deference to those concerned, that the advice offered to His Excellency by the Minister concerned was wrong. It is not based on facts. There is no tranquillity in the mind of the people. Those people who have co-operated, who have paid their rents and taxes, in their heart of hearts they do not feel tranquillity.

THE HONOURABLE MR. BIJAY KUMAR BASU: May I just point out that in the certificate the word "tranquillity" is not even used once. It is said that the said Bill is essential for the interests of British India.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: There is the word "safety" used.

THE HONOURABLE MR. BIJAY KUMAR BASU: No, not in the certificate.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: All certification is done in the interests of British India. But does not the interest of British India lie in removing the discontent among the people?

THE HONOURABLE MR. BIJAY KUMAR BASU: I was just drawing your attention to the absence of the word "tranquillity".

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: But that is my reading. I hold that through this certification neither safety nor tranquillity appear nor does discontent disappear from the minds of the people.

Well, Sir, I must say that while my friend Dr. Choksy has advocated an increase in the British Army, I am one of those who deprecate that and I say that if the British Army, which I consider as an army of occupation in India, is to be maintained it must be maintained at the cost of the British Exchequer. India cannot continue to bear that burden. I must as a loyalist assure the Government that they are making a big blunder in not decreasing the highly excessive and crushing taxation of the country. You are adding to the discontent and you will be sorry for it. That is the reason why we representatives of the people give you the genuine feelings of our country here, and I must say that even the spokesman of the European Party in our House has given expression to a similar view. Sir, the other day when His Excellency the Commander-in-Chief was replying to the debate in this House justified the present strength of the army in India. But, Sir, if His Excellency had only considered the ratio of military expenditure to the total taxable revenues of different countries and compared them with India and also remembered the comparative taxable capacity, he would not have said so. Our taxable revenue is such that it cannot compare with the army and His Excellency could not establish that the present figure of the army expenditure compared with the taxable income of any other country in the world is justified. I hold that as far as the army is concerned, India is being forced to bear a burden which she cannot carry, and which is relatively heavier than any other country in the world.

Sir, I must also say here that in case the Government of India means to have any regard for the opinion of the Members either in this House or in the other they must pay some regard to the decisions of both these Chambers. By throwing out every amendment which was carried in the other House the people feel very much aggrieved and hurt. They consider that the announcement recently made by the Secretary of State in the House of Commons, "that the caravan goes on while dogs bark" is being translated into practice in India. I must say that, Sir, that this pronounced policy is now being enforced here. It appears that when the Labour Government was in power, then the Government of India in such cases used to come to some sort of compromise as regards the taxation of the country; but since the Conservative Government has come into power and the present Secretary of State has taken up his present attitude, the mentality of the Government of India has entirely changed. They totally

disregard the opinion of this House and the other House and I beseech the Honourable Leader of this House that to maintain the dignity and status of this House and as a majority of the elected Members have given expression to the matter that His Excellency the Viceroy has been ill-advised to certify this Bill he will see that the voice of this House does not go to the wilderness.

I must say, Sir, that the Honourable the Finance Member when framing the budget for this year has purposely and deliberately under-estimated the income. In support of this I must say that he has not even taken the normal annual increase in his calculation. He has not taken the fact into his consideration that this year there will be more income from customs from the import of sugar. The sugar crop in the western districts of the United Provinces has failed and this will necessitate more imports of sugar from abroad. Sir, I must say that as there has been a considerable under-estimation of income our taxation has not been materially decreased. Even now, Sir, I would beg of the Government to be considerate, to be reasonable, and not to take the attitude that whatever Government says is right and whatever we Members say is wrong. That is not the attitude which they ought to take. We all thought that when the Assembly threw out the Finance Bill the Government would take some Members into their confidence, the Leaders at least, and come to a sort of compromise, which used to be the practice before; even that was not done. That shows, Sir, that the announcement of the Secretary of State underlying the passage of the caravan is being brought into effect. If that is the attitude of the Government, Sir, it will be much better that both these Houses are dissolved. I must also say that when the present constitution is being worked like this, we are very much afraid that the safeguards, the multitude of safeguards, which have been provided in the new Bill will also be worked in the very spirit which has led to the recent certification under the present constitution. I must say, Sir, why the new Reform Bill is being hurried through the House of Commons, although the greater majority of the people in India do not want it. It is being hurried because the people consider that the defects of the present constitution are being set right in the new constitution and that is the reason why that Bill is being piloted with such haste and with such fervour in the House of Commons. From the attitude of the Government we are getting rather nervous as to what will be the future of the new Legislatures. Sir, the Honourable the Finance Member while making his speech said that it has not been possible for him to take the first step in the revision of the revenue tariff in a downward direction. This observation has created alarm in the country, particularly to industrialists and I should like the Honourable the Finance Secretary to explain whether I am right in my impression that the Government of India does not like industries to thrive? I know that by giving protection to industries there was a substantial increase, particularly in the sugar industry, but I do not know whether any change in this policy will take place and whether those industries which now enjoy protection will lose that protection by the back door.

Well, Sir, as regards rural uplift, we all welcome the grant which has been made by the Government of India. I expected that my Honourable friend Sir Nasarvanji Choksy would suggest some medical measures for rural uplift and better communications; on the other hand he went into army matters. I do not know why? I must say that medical dispensaries in the provinces are so meagre and medical relief is so scanty that

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an increase in dispensaries is essential. My friend Sir Nasarvanji Choksy did not say anything about that. I know as a matter of fact how many women die at confinement time for want of proper aid in the rural areas. How many people die for want of medical assistance? I know in the Punjab that in certain districts there is one hospital within a radius of 30 miles. Therefore, Sir, I must say that this grant should be effective to relieve distress in our country—

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Sir, I have had great regard for the thousands of patients of the poorest classes whom I have treated for the period of 34 years. My feelings are for them. I have sacrificed my life for them and it cannot be said that I am callous or indifferent to their interests for medical relief. It should form a part of rural development.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I hope the Honourable Doctor's remarks mean that he is for an increase of dispensaries in India? I know that he is sympathetic and I thought he would appreciate my point rather than criticise it.

THE HONOURABLE MR. P. C. D. CHARI: You forget that during most of the time he was a Congressman.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Oh no, not most of the time: in the early days.

THE HONOURABLE MR. BIJAY KUMAR BASU: Just as much as the Leader of the Opposition is a loyalist!

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Well, I can say that I have never been a Congressman nor do I intend to be a Congressman. The way in which Congress people have been given strength now by this certification has not yet been realised by the Government. I think that by this action of theirs they have given the greatest handle to the Congress party. People tell us that they ought to have sent Congressmen to the Councils instead of us. We in the elections fought the Congress and the regard we get from Government is now clear.

Sir, I would reserve my further remarks in connection with the amendments that are to be moved and I will not take up much more time of the Council. I must say that we expected that as a matter of courtesy that the Honourable the Finance Member would be with us here today. We made him a request the other day to be so kind as to be here. (An Honourable Member: "The other Executive Council Members ought also to have been here".) I say the Finance Member because the Finance Bill is the work of his Department and because he is the author of the budget. But we much regret he has not found it expedient or proper to give more time to this House than he ought to do. I hold, Sir, that when the Finance debate is to last two days in this House we at least expect the courtesy of the Finance Member to be with us for the period of debate and then at the end of all the speeches to give us the Government point of view. I hope, Sir, that in future this House will not be thus disregarded.

Then, Sir, I must also say that the amount of reduction in taxation that this House may carry by the vote of an elected majority should receive due consideration at the hands of Government. I am sorry that when we put a direct question to the Honourable the Finance Member whether any of our amendments would have any effect upon the minds of the Government or not, we did not get a sympathetic answer, and now as the amendments are shortly to be moved, I will ask the Finance Secretary to tell us what will be the fate of our amendments. Of course, I know that with your official and nominated votes, you can carry the measure. But I ask him whether the views of the elected Members of this House will receive any consideration from the Government or not? I want that before we proceed with the amendments we must know what the attitude of the Government is on that matter, and I hope the Finance Secretary will be good enough to give us an answer on that point.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, enough has been said from the non-official side of the House in protest against the manner in which the Government have dealt with the Finance Bill, and I do not propose to traverse the ground which has already been covered by other Honourable Members. It is noteworthy, Sir, that no less than three Honourable Members of the Government of India took part in the debate on this Motion the other day and tried to justify the action of the Government in relation to this Bill. The Honourable the Law Member was at pains to defend the action of Government on the basis of precedents since 1928 and as contributing to the saving of much valuable time. Questioned by me as to what he thought of the desirability of having a joint session of the two Houses on such occasions the Honourable Sir Nripendra Sircar dismissed the point by saying that the question had not arisen and he did not apply his mind to questions which did not arise. Any impartial observer who heard the Law Member the other day would at once say that it was an altogether poor and weak defence that he put in of the action of Government in relation to the Bill. And his observation in reply to my question was simply an attempt to evade an important issue for which provision exists in the present constitution.

Then, Sir, we listened to the maiden speech of the Honourable the Leader of the House and I must say I listened to it with considerable interest and admiration. But I should be excused if I say that even his eloquent speech left me an unrepentant sinner. The Government, according to him, was in a more detached position and better able to judge whether a particular tax was necessary or not. This statement, I submit, by no means complimentary to the House. If the Government is in a better position to judge and so claims the right to ignore the Legislature, it means the very negation of responsible Government.

As regards the speech of the Honourable the Finance Member I think I would not be far wrong if I say that he appeared to be in a fighting mood. If I had had an opportunity of speaking before the Honourable Sir James Grigg replied, I intended to put to him a straight question. The Finance Member is reported to have taken up the attitude in the lower House that so long as the policy of the Opposition was obstructive and destructive, so long must the Government resort to the special powers conferred upon them by law. I wanted to ask him, assuming that he took the policy of the Opposition in the lower House to be obstructive

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and destructive, whether he regarded the Opposition in this House also in the same light? I hope it will be conceded that the Opposition in this House is not obstructive and destructive. This House is a body of moderate politicians who are on the whole co-operators. (An Honourable Member: "We may be obstructive but we are not destructive"!) The Honourable Member perhaps thinks we are obstructive because we make long speeches. But I may tell him that but for the Opposition in this House, the Council meetings would finish in a couple of minutes.

Sir, would the Finance Member, or in his absence today the Finance Secretary, be prepared to meet the Opposition in this House half way? Is he prepared to show responsiveness and goodwill by meeting popular opinion in this House to any extent whatsoever? If he is prepared to agree at least to the reduction of the price of postcards and to the exemption from income-tax of incomes below Rs. 2,000 he would be yielding to proposals which vitally affect the poor. And if he be prepared to go to that length, I, for my part, as was observed by my Honourable friend Mr. Kalikar, would try to induce the Opposition to withdraw their opposition to the other provisions of the Bill and to let it pass with our support. The net loss of revenue involved would amount only to about Rs. 1 crore, namely, about Rs. 54 lakhs in the case of postal rates and about Rs. 50 lakhs in the case of income-tax. This is not an amount which the Government cannot easily manage to find, if they have only the will to do so, as compared to the Rs. 4 to Rs. 5 crores reduced by the Legislative Assembly. The Government can easily find this much money by either cancelling the restoration of the salary cut or by reducing the military expenditure, which even today stands at about Rs. 16 or Rs. 17 crores above the pre-war level. Sir, I make this suggestion because I feel that the Government must make a gesture if they wish to be considered reasonable and accommodating. One can understand Government's inability to agree to popular opinion in the Legislature *in toto* but what we cannot appreciate is their not accepting even one single amendment passed by the Assembly? The attitude of Government in relation to this Bill has been, to say the least, unconstitutional, inasmuch as they have rejected even such amendments to the Bill which would not have prejudiced the financial stability and credit of India. It was never contemplated by the framers of the present constitution that the vote of the Legislature could be so lightly disregarded. If the Government even now accept some of the reasonable amendments, they would be giving evidence of their responsiveness, which would be appreciated by the public and would make the Government's position stronger today. But the speech of the Honourable the Finance Member the other day gave no indication of a change of heart on the part of Government. For, he was candid enough to tell us that the Bill must be passed as it stood and there was no possibility of any amendment being accepted. Or, in other words, he reiterated the Government's resolve not to budge an inch from the position which they have taken up from the very beginning in relation to this Bill. If that is the position, Sir, then let the Government say clearly and categorically that they want the Legislature in this country to exist merely to register their decrees, and there is no question on their part of being responsive to popular opinion, so that we the representatives of the public in this House, and our constituents, outside, may understand that while the result of all the labours of a protracted

debate in the Legislative Assembly on this Bill, which entailed on the tax-payer a good deal of expenditure and on the Members of the Assembly a good deal of inconvenience, was nothing but a farce, we in this House must be prepared for another farce if we try to reason and argue with the Government on the measure before us.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN (East Punjab: Muhammadan): Sir, the Finance Bill provides for the continuance for a further period of one year certain duties and taxes imposed under the Finance Act, 1934. The critics of the Bill urge that funds should be provided by continuing the salary cuts and all those duties should be abolished. Government officials who were appointed at certain rates of salaries could claim under their contract that no cuts should be made. It is a great credit to them that they submitted to the cuts without grumbling.

THE HONOURABLE MR. HOSSAIN IMAM: What about increase?

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN: The Government was bound to restore the cuts at the earliest opportunity.

As for the taxes the continuance of which has been recommended, we know that the salt duty in 1925 was Rs. 2-8-0 per maund. It is now Rs. 1-4-0 per maund.

THE HONOURABLE MR. HOSSAIN IMAM: Rs. 1-9-0.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN: As was remarked the other day by the Honourable Kunwar Jagdish Prasad, Leader of the House, perhaps none of our zemindar colleagues have ever heard any complaint from their tenants that the salt tax was pressing heavily on them. On the other hand, the reduction in duty at this stage would result in considerable loss of revenue which cannot be made good in any other manner. The Government proposal to abolish the export duty on skins has been vehemently criticised. The abolition of the duty would certainly help the export trade in skins and no responsible Member of the Legislature should have taken serious objection to such a proposal.

As for the income-tax, relief to a certain extent is provided for in the Bill and with the increase of revenue estimated by our friend the Honourable Rai Bahadur Lala Ram Saran Das next year, it may be possible to abolish the surcharge altogether. It is very easy and popular to condemn a proposal but it is for the critics to suggest better and more popular means to increase the revenue for carrying on the Government and for providing money for constructive works.

THE HONOURABLE MR. HOSSAIN IMAM: Export duty on gold!

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN: Sir, I would request my friends to keep up the good name of this House and not to waste time in condemnation of a scheme for which they have no other suitable alternative to put forward.

AN HONOURABLE MEMBER: We have put forward alternatives.

The Council then adjourned for Tea till Ten Minutes Past Five of the Clock.

The Council reassembled after Tea at Ten Minutes Past Five of the Clock; the Honourable the President in the Chair.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, it would need the tongues of men and of angels to do credit to all the themes which have been raised in the course of this debate. It would also require a full allowance of imagination, and, as the House knows, imagination is one of those virtues which is disclaimed in the Finance Department. It has been repeatedly impressed upon the Members of this House and of the other House during the last few weeks that the last state of the imaginative financier is worse than the first. I therefore shall make no attempt to soar to some of the themes which have been raised during this debate. The Finance Department has to take a strictly practical view and deal with situations as they arise. I need therefore make no excuse for coming to earth after nearly two days aloft.

The House has had the advantage of listening to no less than three Members of His Excellency's Executive Council. They have already covered a great deal of the ground and I have no desire to cover that ground again. There are however certain points which I think require to be emphasised and brought out once more if the House is to cast its votes on the Motion now before it in a dispassionate manner.

Before, however, I come to earth, I am anxious to deal with the speech of my Honourable friend from Bihar, Mr. Hossain Imam. I confess that I was not able to follow his argument in detail and I doubt if any other Member of the House was more able to follow it than I was. The more I have thought about it the more obscure do I find his reasoning. Unfortunately I cannot grapple with my Honourable friend in the central blue; it has to be done in the cloud of dust which he has raised. First of all he seems to think that the best means of release from all our present troubles is a generous expansion of the currency. He referred to the fact that, I think, in 1931-32 currency had been expanded to the extent of some Rs. 30 crores in a few months. That is perfectly true. In the year 1931-32, the whole 12 months, currency was expanded to the extent of Rs. 20 crores and 57 lakhs. But that has to be read against the background of what happened in the two previous years and in the year which followed. In 1929-30 currency had been contracted to the extent of Rs. 32 crores and 41 lakhs. In 1930-31 it had been further contracted to the extent of Rs. 38 crores and 64 lakhs. In the year which he referred to, as I said, it was expanded again by Rs. 20·57 crores. In 1932-33 it was again contracted by Rs. 8 crores and 60 lakhs. In those five years 1929-30 to 1933-34 there was a total net contraction of Rs. 57 crores and 18 lakhs. The point I wish to make in referring to these figures is that the Honourable Member cannot say that we are not doing nowadays what was bravely done a few years ago. Also I must remind him that he is giving the benefit of his advice to the wrong authority. With effect from the 1st April of this year the control of the currency has been handed over to the Reserve Bank. I am sure that the Reserve Bank will be most glad to receive any representation which the Honourable Mr. Hossain Imam may make to them.

Another point which the Honourable Member made was this. Last year, we received a revenue of approximately Rs. 177 lakhs from the Gold Standard Reserve and the Paper Currency Reserve. He contrasts

that with the meagre Rs. 50 lakhs which we expect to receive from the Reserve Bank in the current financial year. That is perfectly true. We must however also remember that there is another sum of approximately Rs. 28 lakhs which will be realised from the interest on the silver redemption reserve and on the Secretary of State's balance. However, I have no desire to disguise the fact that we are losing revenue this year in that respect. And why? Because the Reserve Bank will only be in full operation for six months out of the twelve. Besides that, the Reserve Bank is a new institution: it has to face a great deal of initial expenditure which it will not have to face in future years. I think I can promise the Honourable Member that, under the operation of clause 47 of the Reserve Bank Act, the revenue which Government receive from that source in future years will be very appreciably more than the Rs. 50 lakhs which we anticipate this year.

THE HONOURABLE MR. HOSSAIN IMAM: A short fall this year?

THE HONOURABLE MR. P. C. TALLENTS: There is no question of short fall.

Various other statements which the Honourable Member made in the course of his speech I should just like to mention in passing. He referred to the interest that we pay on provident funds. Now, that interest is calculated on the average market value of long-term Government securities for the last five years. He asked whether the rate of interest next year will be lower. The answer is that it certainly will be and that it will continue to fall. In fact we may presently reach a position in which the interest paid on the provident funds will be lower than the ordinary market rate.

To turn, Sir, to another point. He mentioned the question of sales of silver. He referred to what happened in 1918 when the price of silver rose very high. Rupees were being melted freely all over India and Government were finding the greatest difficulty in meeting their statutory obligation to give silver rupees in return for currency notes tendered. He asked, why did we buy silver when the price was high?

THE HONOURABLE MR. HOSSAIN IMAM: I did not ask that question.

THE HONOURABLE MR. P. C. TALLENTS: I understood him to ask it; and of course the answer is that Government had to purchase this silver to meet their statutory obligation. The Honourable Finance Member in the course of his speech explained that at the present time we have some 90 crores of silver rupees in reserve and he explained that as far as human foresight can go we shall never want that enormous number of rupees. And that is the explanation of why when suitable opportunity offers, sales of silver are being effected, subject of course to the international agreement into which we have entered under which there is an annual limit to the amount which we sell. We have not reached that limit yet this year. The Honourable Member also said that Sir George Schuster while he was Finance Member gave an undertaking that no sales of silver would be effected without a reference to the Legislature.

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir. I did not make such a statement. The statement was that in the Reserve Bank Committee he said that the disposal of the surplus rupees will be pending the sanction of the Government.

THE HONOURABLE THE PRESIDENT: Did you say that in the Select Committee?

THE HONOURABLE MR. HOSSAIN IMAM: Yes.

THE HONOURABLE THE PRESIDENT: Then you have no right to use what was said in Select Committee.

THE HONOURABLE MR. HOSSAIN IMAM: Part of it is incorporated in the Report.

THE HONOURABLE MR. P. C. TALLENTS: If the Honourable Member will give me chapter and verse for what Sir George Schuster said, I will look into it, but I cannot believe that he agreed that the question of sales of surplus silver should be referred to the Legislature.

THE HONOURABLE MR. HOSSAIN IMAM: What about the budget figure? The budget figure does not provide for any gain or loss on silver.

THE HONOURABLE MR. P. C. TALLENTS: That is a point I was not discussing.

Another point of criticism was that there was no object in retaining the office of Controller of Currency now that control of currency has been handed over to the Reserve Bank. That is a perfectly valid point. If the Honourable Member will look into the figures, he will find that there is a saving next year as compared with last year of about Rs. 42 lakhs under Currency. That represents the cost of the staffs of the numerous currency offices with which we have now parted. Their control has been handed over to the Reserve Bank. As regards the Controller of Currency himself, he will remain the Government *liaison* officer with the Reserve Bank. He is the officer who has been nominated under clause 8 of the Act to the Board. I think it very probable that the designation of the officer will be changed, because it is no longer suitable to the function which he will be required to perform. The Honourable Member also feared apparently that the Reserve Bank will issue Treasury Bills. That is not the intention at all. The Reserve Bank will issue no Treasury Bills. As regards the agreement between the Government and the Reserve Bank, I may explain that I signed that document a few days ago and as soon as copies are available they will, in accordance with the law which the Honourable Member quoted, be laid on the table of this House. As regards the Imperial Bank, there is no agreement now between Government and the Imperial Bank. The old agreement has lapsed.

There was a general recognition on all sides of the House that the first duty of Government is to carry on. The total cuts in the expenditure budget effected in the other House amounted to something less than Rs. 4½ lakhs. When it came to legislating to provide the funds to enable Government to carry on their functions in accordance with the budget that was passed, the revenue was reduced by something less than Rs. 4½ crores.

But it takes Rs. 100 lakhs to make a crore. How then could Government carry on? The position was an impossible one. Even though the lower House had passed the expenditure budget with a reduction of something less than Rs. 4½ lakhs, how was it possible to implement that with a revenue reduced by nearly 100 times that figure? It has been suggested in the course of this debate that Government are really much more amenable than they appear; there is somewhere some hidden resource on which they can call. The budget is described as a surplus one and certainly as regards last year that is a fact. We had much more left in the bud than we thought we should have when the year began. The disposal of that money was settled by the vote of the Legislature, but we have been freely criticised because it is alleged that the surplus should have been used for recurring purposes. The Honourable the Finance Member met this point when he addressed the House, but I may perhaps supplement what he said by quoting a few figures. The total surplus of last year which we expected when the budget for this year was presented was Rs. 327 lakhs; of that Rs. 138 lakhs came from sugar and Rs. 90 lakhs came from cotton piecegoods. Now, these are both protective duties. They are not imposed for the purpose of raising revenue, but they are imposed for the benefit of the indigenous industries. The larger of these figures is that of the sugar import duty, which yielded us Rs. 138 lakhs more than we had expected. May I give the House some figures showing what has been the revenue from this source in recent years? I think these figures are very eloquent, and if Honourable Members will listen to them I think they will at once see why it was that the Government in the Finance Department considered that if they were going to build permanently on this foundation they would have been building on sand. In the year 1930-31, the revenue derived from this source was Rs. 10 crores and 68 lakhs. In the following year that figure had fallen to Rs. 8 crores. In the following year it was Rs. 6 crores and 85 lakhs. Next year again it was Rs. 4 crores and 72 lakhs. The revised estimate for last year was Rs. 3 crores and 75 lakhs, a continuous decrease. Next year we budget for Rs. 1 crore and 75 lakhs. Even supposing that that figure is not correct and that we are going to receive double the figure we have budgeted for, do Honourable Members really think that it will be a source of revenue which we can rely on for all time and make permanent reductions in taxation?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I ask how you meet the expenditure on military expeditions in the Frontier? Every expedition costs about a crore of rupees.

THE HONOURABLE MR. P. C. TALLENTS: I may remind the Honourable Member that one of the purposes for which last year's surplus is to be devoted is the construction of roads in the tribal areas of the Frontier and one of the most weighty reasons which induced Government to incur that expenditure is that thereby military expenditure in those areas in future will be very greatly reduced.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I enquired about expeditions, not about roads. An expedition is now going near the

[Rai Bahadur Lala Ram Saran Das.]

Malakand Agency area and I want to know how the expenditure incurred upon such field operations are met every year?

THE HONOURABLE THE PRESIDENT: First let the Honourable Member finish his reply to all the Honourable Members; then you can ask questions.

THE HONOURABLE MR. P. C. TALLENTS: The Honourable Mr. Hossain Imam in the course of his speech referred to the railway budget and I am not quite sure whether that was strictly relevant to the Motion before the House, but I understand—I had a talk with him afterwards—that the point was this, that he considers that the fact that we are now receiving no surplus from the railway budget—a situation which he describes as a “short fall”—might be used as an argument for using our non-recurring surplus for recurring expenditure. I am afraid Government cannot possibly agree with that argument. It is one thing, as the Honourable the Finance Member said in this House, to discount a certain short fall which you know will be recovered in the following year. It is quite another thing to count confidently on the restoration of the surplus which the railways have been failing to produce for a period of some five years. That, I submit, Sir, is a very different thing.

As regards the current year's budget, you cannot describe that as a surplus budget. It is true we budgeted for a surplus of Rs. 6 lakhs, but that is merely nominal. It has been the deliberate intention of Government not to incur fresh recurring expenditure, but, as far as circumstances permit, to remove emergency taxation and other emergency measures, without passing the point of balance.

Now, one of the proposals made in this House for the reinstating of Government finance was that the pay cut should not be restored. I do not desire at this stage to dwell on the past promises of Government or on Government's desire to restore the rates of pay which they undertook to give to their servants. I merely wish to consider it from the mathematical point of view. The net cost to Government of restoring the pay cut is Rs. 92 lakhs. That is not sufficient to cover even the smallest of the amendments proposed regarding the salt duty. And there is another point. Of that Rs. 92 lakhs about three-quarters is going to be received by Government servants drawing less than a thousand rupees a month; my estimate is that Rs. 24 lakhs will go to officers drawing a thousand rupees a month or more. Is not that class of Government servants—those drawing less than Rs. 1,000 a month—the very class of persons for whom this House is showing its concern by the proposed amendment for exempting from the income-tax schedule any one drawing less than Rs. 2,000?

Other suggestions which have been made for strengthening our position have principally taken the form of sweeping reductions in expenditure. We have heard today the same arguments about the army as we heard during the budget debate. Well, the Honourable the Finance Member dealt with this in his speech. It is impossible to make sweeping reductions which would take immediate effect in next year's budget, and the House must remember that for years past the Government have been effecting

retrenchments in all directions and generally speaking we have now reached the point where further reductions must mean loss of efficiency. These two proposals—of not restoring the pay cut and the sweeping reduction of expenditure—would not meet the practical needs of the situation which is what we now have to face.

Government's proposals are contained in the Finance Bill which is now before the House. In that Bill taxes are in no case increased. In some cases they remain as they were last year,—in another case there is a reduction. Government, I may assure the Honourable Sir Mahomed Akbar Khan, hardly needed his warning. He was anxious that Government should do their very best to reduce this extra burden of taxation. I can assure him that the Government are most anxious to do so, but they cannot break the laws of mathematics in their efforts. If a greater reduction of taxation had been made than Government are proposing to make, the budget would not have been balanced. What would have been the result? Some Honourable Members do not seem to realise what that would have meant. The first class to feel the loss to Government would be the poorer classes. Mr. Taylor, I think it was, on one occasion said, when he was dealing with the Finance Bill in this House, that it is not the town-dwelling classes who suffer on these occasions. They know how to make a profit out of these situations. It is the poorer class living in the villages, the cultivators, who will suffer if Government credit suffers.

Well, Sir, time is slipping away. We have a great deal of work to put in on the clauses of this Bill and I do not want to take up time unnecessarily. No budget can give satisfaction to everybody, and I maintain that, consistently with our duty of carrying on and keeping our eyes on the rocks which we know are ahead, Government, acting in a mood of restrained optimism, have done what has been possible to remove the burden of emergency taxation: they hope it may be possible to take further steps next year. At the same time, the Legislature have supported them in their proposal that what could be done should be done just now for improving the lot of the masses in the villages voting this grant of Rs. 1 crore and 13 lakhs for the improvement of village conditions.

I commend this Bill, Sir, to the favourable consideration of the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, may I ask the Honourable the Finance Secretary what would be the fate of any of our amendments if it is carried by this House? Will it receive any consideration from the Government or not?

THE HONOURABLE THE PRESIDENT: I think the Honourable Member should wait till the amendment stage is reached.

THE HONOURABLE THE PRESIDENT: Motion made:

“That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, in the form recommended by the Governor General, be taken into consideration”.

The Question is:

“That that Motion be adopted.”

The Council divided:

AYES—30.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.
 Basu, The Honourable Mr. Bijay Kumar.
 Buta Singh, The Honourable Sardar.
 Charanjit Singh, The Honourable Raja.
 Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
 Devadoss, The Honourable Sir David.
 Ghosal, The Honourable Mr. Jyotsnanath.
 Ghosh Maulik, The Honourable Mr. Satyendra Chandra.
 Glancy, The Honourable Sir Bertrand.
 Hafeez, The Honourable Khan Bahadur Syed Abdul.
 Hallett, The Honourable Mr. M. G.
 Jagdish Prasad, The Honourable Kunwar.
 Johnson, The Honourable Mr. J. N. G.
 Kameshwar Singh of Darbhanga, The Honourable Maharajahdhiraj, Sir.

Lloyd, The Honourable Mr. A. H.
 Menon, The Honourable Diwan Bahadur Sir Ramunni.
 Mitchell, The Honourable Mr. D. G.
 Muhammad Din, The Honourable Khan Bahadur Chaudri.
 Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
 Nixon, The Honourable Mr. J. C.
 Noon, The Honourable Nawab Malik Sir Muhammad Hayat Khan.
 Pandit, The Honourable Sardar Shri Jagannath Maharaj.
 Russell, The Honourable Sir Guthrie.
 Spence, The Honourable Mr. G. H.
 Stewart, The Honourable Mr. F. W.
 Stewart, The Honourable Mr. T. A.
 Tallents, The Honourable Mr. P. C.
 Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
 Williams, The Honourable Mr. A. de C.
 Yamin Khan, The Honourable Mr. Mohammad.

NOES—10.

Banerjee, The Honourable Mr. Jagdish Chandra.
 Chari, The Honourable Mr. P. C. D.
 Ghazanfar Ali Khan, The Honourable Raja.
 Haum, The Honourable Khan Bahadur Hafiz Muhammad.
 Hossain, Imam, The Honourable Mr.

Jagdish Prasad, The Honourable Rai Bahadur Lala.
 Kalikar, The Honourable Mr. V. V.
 Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
 Ram Saran Das, The Honourable Rai Bahadur Lala.
 Sapru, The Honourable Mr. P. N.

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 2 stand part of the Bill."

(The Honourable the President then called on the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra to move his amendment.)

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I want to ask the Honourable the Finance Secretary whether in case any of the amendments which may be moved here are carried, what will be the position—whether Government will consider those amendments or not?

THE HONOURABLE MR. P. C. TALLENTS: Sir, the legal position that will arise has been explained by yourself. Under clause (b) of section 67B of the Government of India Act, if an amendment is made in this House,

and the Governor General signs, then the Bill becomes law in its unamended form. If the Governor General does not sign, then there has to be a new Finance Bill *de novo*. Such a situation has never arisen before and we hope that it will not arise on this occasion.

THE HONOURABLE MR. P. C. D. CHARI: The amendment will be infructuous.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, at this stage I want to make a statement on behalf of my Party. The Bill is a certified and recommended one. Under the present Government of India Act, it cannot be changed even if His Excellency the Governor General so wishes unless he is prepared to withdraw the present Bill and introduce a fresh measure.

THE HONOURABLE THE PRESIDENT: Who is prepared? You mean the Finance Secretary?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: No, Sir. I mean His Excellency the Viceroy. That, I understand, Sir, is your reading also of the Government of India Act as explained by you today. When the point was raised by my Honourable friend, Mr. Sapru, you gave us the impression that the Governor General had power, under the present Act, to accept such amendments as may be passed by the House. The position has been clarified today by your statement. It is also clear from the speeches of the Finance Member and the Finance Secretary that they are not prepared to agree to any amendments. In these circumstances, as a protest against the course adopted by Government, we do not wish to move any amendments to the Bill under consideration. We shall take no further part in the discussion of the Bill. We shall of course record our vote against it at all stages.

Clause 2 was added to the Bill.

Clauses 3, 4, 5 and 6 were added to the Bill.

Schedule I was added to the Bill.

Schedule II, Parts I, II and III, were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. P. C. TALLENTS: Sir, I move:

"That the Bill, in the form recommended by the Governor General, be passed."

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1893, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, in the form recommended by the Governor General, be passed."

[15TH APRIL 1935.]

The Council divided:

AYES—32.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.
 Basu, The Honourable Mr. Bijay Kumar.
 Buta Singh, The Honourable Sardar Charanjit Singh, The Honourable Raja.
 Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
 Devadoss, The Honourable Sir David.
 Ghazanfar Ali Khan, The Honourable Raja.
 Ghosal, The Honourable Mr. Jyotsnanath.
 Ghosh Maulik, The Honourable Mr. Satyendra Chandra.
 Glancy, The Honourable Sir Bertrand.
 Hafeez, The Honourable Khan Bahadur Syed Abdul.
 Hallett, The Honourable Mr. M. G.
 Jagdish Prasad, The Honourable Kunwar.
 Johnson, The Honourable Mr. J. N. G.
 Kameshwar Singh of Darbhanga, The Honourable Maharajah Sir.

NOES—10.

Banerjee, The Honourable Mr. Jagdish Chandra.
 Chari, The Honourable Mr. P. C. D.
 Halim, The Honourable Khan Bahadur Hafiz Muhammad.
 Hossain, Imam, The Honourable Mr.
 Jagdish Prasad, The Honourable Rai Bahadur Lala.

Lloyd, The Honourable Mr. A. H.
 Menon, The Honourable Diwan Bahadur Sir Ramunni.
 Mitchell, The Honourable Mr. D. G.
 Muhammad Din, The Honourable Khan Bahadur Chaudri.
 Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
 Nixon, The Honourable Mr. J. C.
 Noon, The Honourable Nawab Malik Sir Muhammad Iyat Khan.
 Pandit, The Honourable Sardar Shri Jagannath Maharaj.
 Russell, The Honourable Sir Guthrie.
 Spence, The Honourable Mr. G. H.
 Stewart, The Honourable Mr. F. W.
 Stewart, The Honourable Mr. T. A.
 Suhrawardy, The Honourable Mr. Mahmood.
 Tallents, The Honourable Mr. P. C.
 Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
 Williams, The Honourable Mr. A. deC.
 Yamin Khan, The Honourable Mr.

Kalikar, The Honourable Mr. V. V.
 Kidwai, The Honourable Shaikh Mushir Hosain.
 Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
 Ram Saran Das, The Honourable Rai Bahadur Lala.
 Sapru, The Honourable Mr. P. N.

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Wednesday, the 17th April, 1935.

COUNCIL OF STATE.

Wednesday, 17th April, 1935.

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

SHORT NOTICE QUESTIONS AND ANSWERS.

THE HONOURABLE THE PRESIDENT: There are some short notice questions. I want to know if the Member in charge has any objection?

THE HONOURABLE MR. M. G. HALLETT: I have no objection, Sir.

COMMUNAL RIOTING AT FEROZABAD, AGRA DISTRICT.

130. THE HONOURABLE MR. V. V. KALIKAR: Will the Government be pleased to make a full statement about:

- (a) The communal riot that occurred at Ferozabad in the Agra district on 14th April?
- (b) The measures taken by the local authorities to avert the riot?
- (c) Protection given by the local authorities to those whose houses were burnt?
- (d) The number of casualties during the riot and the subsequent firing?
- (e) The cause of the riot? and
- (f) The subsequent steps taken by the local authorities to bring the offenders to justice?

COMMUNAL RIOTING AT FEROZABAD, AGRA DISTRICT.

131. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: With reference to the Ferozabad riot on the 14th April, 1935, will the Government be pleased to make a statement on the following points:

- (a) How many persons of each community were killed in the riot?
- (b) How many were killed and wounded on account of firing alone?
- (c) How many rounds were fired?
- (d) What was the number of the military force used?

THE HONOURABLE MR. M. G. HALLETT: Sir, in reply to the short notice question by the Honourable Mr. Kalikar and in reply also to the other short notice question on the same subject, I beg to make the following statement regarding the communal riot which occurred at Ferozabad in the Agra district on the 14th instant. Ferozabad is the headquarters of a tehsil 26 miles from Agra on the Agra-Cawnpore road. For the first time since 1902 or 1903 the Hindu festival of Ram Naumi occurred this year at the same time as the Mohurram. In 1902 it appears that an agreement had been entered

into between the two communities and this year the District Magistrate directed that a similar agreement should be taken from the two parties. This was accordingly done by the tehsildar under the directions of the sub-divisional officer who had recently taken over charge of this sub-division. Slight modifications had to be made owing to the Ram Naumi clashing with a different day of the Mohurram from that in 1902. Detailed instructions were also issued by the Superintendent of Police regarding various points which had given rise to controversy in previous years, e.g., regarding the *arti* at the Radha Krishna temple and Goshainji's temple. Further, 40 additional police were posted to the town, 15 being armed police, 20 ordinary civil police and five mounted sowars. During the first eight days of the Mohurram, the celebrations were regulated according to this agreement and there was no disturbance. There was, however, some ill-feeling between the two communities on points of detail; and on the night of the 13th 25 of the leading Mussalmans came to the District Magistrate at Agra contending that the agreement had been taken from them under false pretences and requesting that the agreement should not be treated as a precedent and should not be binding on them for future years. The deputation, however, agreed that there was no dispute left this year as the celebrations had already terminated. The District Magistrate promised to look into the matter and directed the sub-divisional officer to make an enquiry and to report to him. The deputation then left apparently quite contented and there appeared to be no serious risk of any further dispute. On the morning of the 14th there was a procession of *alamas* and *burags* which was accompanied by the sub-divisional officer, the circle inspector and the police guard. The procession which passed along the main road had to go past two temples known as Radha Krishna's temple and Ramchandraj's temple. *Arti* had taken place without any trouble in both the temples and subsequently the *burag* procession came along the main bazaar to Radha Krishna's temple, where they halted and there was here considerably more beating of drums than usual. It is alleged that all of a sudden a man rushed to the edge of a roof and flung a brick on to the procession and this was followed by others thrown from somewhere behind the front roof and the procession then started retaliating by flinging bricks on to the roof. Many of those who were in the procession became very excited and left the main road and went into the by-lanes leaving the *alamas* and the *burags* on the main road while the sub-divisional officer and the circle inspector were engaged in controlling the procession on the main road, some distance further ahead of this temple it is alleged that some Muhammadans in a by-lane started to attack the back of Radha Krishna's temple and the house of Dr. Jiva Ram, which is next door to it. Dr. Jiva Ram is a private medical practitioner who had in-patients in his house. The house became surrounded by a Muslim mob and he and the other inmates locked the doors from the inside. The mob is alleged to have thrown kerosene oil on to the doors and set them alight, while another section of the mob climbed over the wall of the house from behind and consequently the inmates barricaded themselves in an inner room which was protected by wooden doors and iron bars. The house was set alight and it is also alleged that fire was also set to a godown abutting on the temple and to a house which was rented and occupied by a dealer in spices. News of this occurrence was brought to the sub-divisional officer who, as I have said, was further down the main bazaar at the head of the procession and about 200 yards away. He and the circle inspector made their way back to the scene of the conflagration as soon as possible, but by the time they got there the house was already blazing. When they got to the front of Dr. Jiva Ram's house they found the mob breaking down doors and setting fire to others. In spite of repeated warnings they refused to disperse and the

sub-divisional officer directed the police to fire. About three shots were fired, all of buckshot, with the result that the crowd dispersed. One Muhammadan dropped and died subsequently at the police station and some six or seven appear to have been injured but went away. By this time the inside of Dr. Jiva Ram's house was blazing and full of smoke and the doors were all locked from inside. The sub-divisional officer endeavoured to ascertain whether anybody was inside or not, but failed to elicit any response. I have got further details about that and as they have a special bearing on one section of the question, the House might be interested if I read them out to them. This is in regard to the question about the protection given by the local authorities to those whose houses were burnt.

"All the incendiarism was within the first 15 minutes. The buildings were (a) Dr. Jiva Ram's house, Radha Krishna's temple and a bangle seller's house, and (b) three shops in the grain market"—I will come on to the occurrence in the grain market in a few minutes in my main statement—"at a considerable distance from (a) and on the other side of the bazaar. The first group, that is to say Dr. Jiva Ram's house and the temple were set on fire as soon as the riot started. The sub-divisional magistrate and circle inspector were with the procession in the main bazaar controlling it and trying to stop the throwing of brickbats. They did not learn of these conflagrations until Dr. Jiva Ram's house was already blazing. They at once proceeded there and fired on the mob very shortly after arriving there, dispersing it. They banged on the doors and called out to know if there was anybody inside, but there was no response. The doors were shut from the inside, and the whole place was burning. People on the spot said there was a way out over the roof on the temple roof and that probably the inmates had escaped that way. Two constables were sent up from outside to the roof and they called out, 'Doctor, doctor,' but received no reply. There is reason to believe that the inmates were all unconscious, but it was not known that there was anybody in the house. While the sub-divisional magistrate was banging on the door, a message reached him that the grain market was being fired by a mob and that there was danger to the tehsil treasury near by."

I pass on to that incident. The sub-divisional officer hearing of this apprehended attack on the tehsil treasury and the riot that was occurring in the grain market at some little distance from Dr. Jiva Ram's house, went there at once and found a crowd fighting with *lathis* and breaking and burning shops. This crowd also refused to disperse in spite of warnings; firing had to be ordered and some four shots were fired with the result that one person was hit in the leg and fell down and several others appear to have been injured but dispersed.

The sub-divisional officer then received information regarding a further riot in Chapatti Street. He went there and found about 200 people rioting, throwing brickbats and breaking into houses. He again ordered the police to fire and the greater part of the crowd dispersed.

Rioting was then reported in yet another quarter—in a lane leading to the Panchayati Dharamsala where there was a Muhammadan *sabil*. The lane was full of a fighting mob, some breaking the *sabil*, others trying to break the doors of the Dharamsala and the rest fighting and throwing missiles at each other. The sub-divisional officer had to order firing again and on this the crowd dispersed. He then proceeded to the main bazaar where he found groups of men fighting and throwing brickbats at each other. Here too the police were forced to fire, without however causing injury to anybody, and as a result of this and of a charge by mounted police the bazaar was cleared.

After these incidents the sub-divisional officer and the circle inspector immediately returned to the burning houses. By this time it was possible for people to get into the house of Dr. Jiva Ram and they found in the inner room the dead body of Dr. Jiva Ram and 10 others, including one woman and three children who had probably died of suffocation, as there was no exit from the room except through the burning courtyard. The wife of Dr. Jiva

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Ram and a nephew were taken out alive and have been sent for medical treatment. The sub-divisional officer and the police then took steps to extinguish the fires in this and other places near Radha Krishna's temple. They also arrested various people who had been seen taking part in the rioting. Shortly after this the District Magistrate and the Superintendent of Police arrived from Agra with a further detachment of police. By this time the rioting had stopped and necessary arrangements were made for attending to the wounded and for putting the arrested persons into safe custody. The District Magistrate also passed necessary orders under section 144, C. P. C., and pickets were placed all over the town. During the rest of the day and the night no further disturbance occurred and everything is reported to be now quiet.

It will be seen from the account which I have given that the outbreak on this occasion was unexpected but having regard to the trouble which had occurred there the local officers were fully alive to the possibility of trouble and took all possible precautions. Additional police to the number of 40 were, as I have said, posted to the town and all necessary instructions were issued by the local officers to the local police. The total number of casualties as reported are one Muslim killed and seven persons of both communities injured by police firing. Of the people injured by the rioters one Hindu was killed and 50 to 60 persons of both communities are reported to have been injured. Many of the injuries received were not of a serious nature and the majority of those injured were rioters. This is of course apart from the eleven Hindus who were burnt to death inside Dr. Jiva Ram's house. It is reported that 87 persons—67 Muslims and 20 Hindus—have been arrested and seven criminal cases have been registered and are under investigation by the police. As I have explained, the police had to fire in four or five different localities and the total number of rounds fired was about 30. The local officers appear to have taken such steps as were possible to deal with a sudden outbreak of communal rioting and their difficulties were greatly increased by practically simultaneous outbreaks of rioting occurring at widely separated places. The sub-divisional officer and police officers controlled the firing very effectually and used no more force than was necessary to disperse these mobs when they came across them in the five or six centres in which the rioting was very serious. I think the local officers deserve great credit for their handling of the situation.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Will the Government be pleased to state if the police force were reinforced after the 13th of April when the parties wanted not to abide by this agreement?

THE HONOURABLE MR. M. G. HALLETT: Sir, I do not think there was any suggestion of parties not wanting to abide by the agreement on the 13th April. As I read the District Magistrate's report, the Muhammadans were very anxious that this should not be treated as a precedent in future years. The Magistrate told them he would go into the matter and passed necessary orders to that effect. There is no question about this year's agreement; it was only a question of precedents for future years. When exactly additional police were sent there I do not know but I imagine they were there from the beginning of the festivals.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member enlighten the House as to why Dr. Jiva Ram's house was singled out by the mob?

THE HONOURABLE MR. M. G. HALLETT: That is quite impossible for me to say. The matter will form the subject of a criminal case and will no doubt come under investigation in the course of the inquiry.

THE HONOURABLE MR. HOSSAIN IMAM: Do the Government propose to hold any inquiry into this matter?

THE HONOURABLE MR. M. G. HALLETT: Sir, I have said that the matter is under investigation in connection with criminal cases of arson and murder.

THE HONOURABLE MR. BIJAY KUMAR BASU: Has the Government any information as to whether the house belonging to Dr. Jiva Ram was a pucca house, and as to how long after the starting of the fire the sub-divisional magistrate came on the scene?

THE HONOURABLE MR. M. G. HALLETT: The period was very short. As the Commissioner whose report I have read says, the whole thing lasted 15 minutes. Probably it was not a pucca house and as kerosene oil was put on to it, it burnt very quickly. The whole thing was a mass of flames when the sub-divisional officer arrived some 10 or 15 minutes after.

THE HONOURABLE MR. BIJAY KUMAR BASU: Did the sub-divisional officer try to extinguish the flames or make any efforts to extinguish the flames?

THE HONOURABLE MR. M. G. HALLETT: I imagine the conflagration was by then so serious that it was almost impossible to extinguish it. Anybody who knows how a fire burns in that kind of building will appreciate that. Further the sub-divisional officer had to go off to the other places at which rioting was reported; there might have been an attack on the Treasury and the grain market was being attacked.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Is it a fact that the police station officer at Ferozabad took a prominent part in the riot.

THE HONOURABLE MR. M. G. HALLETT: The Honourable Member apparently insinuates that the police officer took part in the riot as a rioter. I see no reason for assuming that there is any truth in this allegation.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Will the Government be pleased to ask the local Government to make an inquiry on this point?

THE HONOURABLE MR. M. G. HALLETT: A copy of these questions will be sent to the local Government for such action as they think necessary.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know if military forces have now been sent to Ferozabad for protection?

THE HONOURABLE MR. M. G. HALLETT: No, Sir. The local Government have not asked for them. Troops are available in Agra. If they are needed, they can very easily be sent out there.

~~THE~~ THE HONOURABLE MR. MAHMOOD SUHRAWARDY: What is the present feeling and situation in Ferozabad?

THE HONOURABLE MR. M. G. HALLETT: As far as I know, things are quiet now.

THE HONOURABLE MR. P. N. SAPRU: Has the widow of Dr. Jiva Ram made any dying declaration in regard to the circumstances of her husband's death?

THE HONOURABLE MR. M. G. HALLETT: No, Sir, on that I have no information.

NEW ELECTIONS TO THE COUNCIL OF STATE.

132. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: With reference to the reply to my question No. 109 asked on the 29th March, 1935, will Government be pleased to state when a decision will be reached on the subject of the extension or otherwise of the life of the present Council of State?

THE HONOURABLE KUNWAR JAGDISH PRASAD: The question will receive consideration at an early date, and the decision which, as the Honourable Member is aware, rests with the Governor General, will be announced as soon as it is reached.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Are the Government aware that the Congress Parliamentary Party have decided to fight the Council of State elections and are making necessary preparations?

THE HONOURABLE KUNWAR JAGDISH PRASAD: I am not aware, Sir, but it is very likely that the information which the Honourable Member has communicated is correct.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Will Government be pleased to come to a decision at a very early date in order to give us sufficient time to work in our constituencies and prepare ourselves to fight the elections?

THE HONOURABLE KUNWAR JAGDISH PRASAD: We shall see that there is no delay on our part to enable the Governor General to come to a decision.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask if electoral rolls are being prepared in the provinces?

THE HONOURABLE KUNWAR JAGDISH PRASAD: I saw a newspaper report that in one province the electoral roll was being prepared, but I am afraid I have no information as regards the other provinces.

THE HONOURABLE MR. HOSSAIN IMAM: Have Government issued any instructions to the provinces?

THE HONOURABLE MR. G. H. SPENCE: May I explain the position, Sir? There is no question of issuing *ad hoc* instructions to local Governments.

Under the rules, local Governments have automatically to prepare fresh electoral rolls when the existing roll has been in force for three years. There is no reason to suppose that local Governments are not aware of this provision.

MOTION FOR ADJOURNMENT.

COMMUNAL RIOTS DURING MOHURRUM.

THE HONOURABLE THE PRESIDENT: Honourable Mr. Banerjee, I presume you do not wish to press your Motion for Adjournment now, after hearing the Honourable Mr. Hallett?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): I should like to move it, Sir.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Jagadish Chandra Banerjee has given the following notice:

"I give notice of the following Motion for Adjournment at the meeting of the Council of State tomorrow the 16th April, 1935, to discuss a definite matter of urgent public importance, viz., the failure of Government to make proper military arrangements beforehand to prevent such usual communal riots during the Mohurrum festival as took place in the Agra district of the United Provinces on the 14th April in which dastardly crimes have been perpetrated by rioters such as the burning alive of 10 to 15 members of a family consisting of women and children and also their failure to prevent the enormous loss of Indian lives and property which have been caused by the free use of fire-arms during the said riot."

How do you justify the moving of this Motion?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: May I not explain the position which I would like to take on this debate Motion?

THE HONOURABLE THE PRESIDENT: I am not asking you to speak on the merits, because I have not yet given my ruling whether I will allow this Motion of Adjournment or not. I want you to tell me how you justify the moving of this Motion?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: It is a matter of urgent public importance.

THE HONOURABLE THE PRESIDENT: Is that the only reason?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Yes Sir.

THE HONOURABLE THE PRESIDENT: In the first instance, let me draw the attention of the Honourable Member to the fact that he should not serve a notice on the President. Under Standing Order 21, all notices of Motions for Adjournment ought to be sent to the Secretary.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I sent a copy also to the Secretary, Sir.

THE HONOURABLE THE PRESIDENT : This Motion for Adjournment is in respect of communal riots which have taken place in Ferozabad. But at the same time, as Honourable Members are aware, numerous riots have lately taken place all over the country—probably at a dozen places—during the Ram Naumi and Mohurrum holidays. These communal riots frequently take place in all parts of India during some of these important holidays and festivities. The policy of the various provincial Governments in dealing with such riots is not either a matter of urgent public importance or a matter which is primarily the concern of the Governor General in Council, as provided in the restrictions imposed by Legislative Rule 12. The policy has been defined and enunciated by the provincial Governments long ago, and as such it does not come within the purview of this rule. Further, these riots in the provinces relate to a matter which is not primarily the concern of the Government of India. The provincial Governments are responsible for the maintenance of law and order in their own provinces and have to deal with the situation, when such situations arise, in any manner they may deem necessary and proper. I should prefer to follow on this occasion two rulings, one given by Sir Frederick Whyte and the other by Sir Muhammad Yakub. Sir Frederick Whyte, on 13th March, 1921, when a similar Motion was moved, would not admit it on the ground that it should have been raised in the Punjab Legislative Council, for the Government of the Punjab was in the first instance responsible for law and order within the limits of that province. Another ruling was given by Sir Muhammad Yakub in 1930. That ruling is to the following effect :

“Moreover, distinctions are also to be drawn between matters to be discussed in this House and matters to be discussed in the provincial Councils, and to my mind, it will be too much interference on the part of this House as regards provincial affairs if matters for which provincial Governments are responsible are debated in this House by means of the extraordinary method of Motions for Adjournment. It would not be right and proper to condemn the provincial executive behind their backs in a place where they cannot defend, explain or justify their conduct”.

The matter referred to in Mr. Banerjee's Motion is certainly a provincial matter which is not primarily the concern of the Governor General in Council and I entirely agree with this view, because in Legislative Rule 12, the restrictions which are imposed are not of an exhaustive character and leave discretion to the President of the Council or the President of the Assembly to rule out on other grounds also when such Motions are inadmissible. This point was again raised this session in the Assembly on the 9th March last. There, my brother President decided on the first point that the question of policy was not of recent occurrence and on that ground disallowed the Motion for Adjournment. The other point was also pressed whether the President had power to disallow a provincial matter to be discussed in the Indian Legislature, but the President kept an open mind on the subject and did not give a decision. I prefer to follow the two rulings of Sir Frederick Whyte and Sir Muhammad Yakub and I hold that it is not a matter which is primarily the concern of the Government of India. Further, after the full, frank and exhaustive explanation and statement made by the Honourable Mr. Hallett, it would be a waste of public time, in my opinion, to permit this Motion to be moved. I therefore rule that this Motion is not in order.

We will now proceed with our legislative work. There are two Bills to be disposed of and there is a loyal and congratulatory Motion by the Honourable Raja Charanjit Singh and the Honourable Rai Bahadur Lala Ram Saran Das. I would request the Honourable Members, both officials and non-officials, to be present when the loyal Motion is moved. I will give notice of the same by asking the Secretary to ring the bell when that Motion is reached.

SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary) : Sir, beg to move :

“That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be taken into consideration”.

The position of Government with regard to this Bill is a very simple one and it was explained by the Honourable Finance Member in another place in his budget speech. The object of this Bill is to stabilize the existing position for one more year without prejudice to any decision that may be taken during that year by Government and without prejudice to any interests of the parties who may be concerned. Government wish to make it clear that any representations which they receive during this year on the subject will receive their full consideration. The object therefore is simply to maintain the existing position for one more year, which is done by substituting the figures “1936” for the figures “1935” in the Act.

* Sir, I move.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal : Non-Muhammadan) : Sir, again I find myself in a most unenviable position, driving my lonely furrow in the wilderness of the Imperial City of Delhi ! Whether it is a question of imposing an import duty on wheat or whether it is a question of an additional import duty on salt, I find that mine is always the lone voice of protest. But, Sir, there is a saying that one must be true to his salt, and to be true to my salt I oppose this measure. At the fag end of the session when every one of us is anxious to get back to our normal avocations and after the lengthy and protracted debate which took place yesterday, I would not venture to tire the patience of the House by inflicting on them a lengthy speech. But I will quote a few remarks made by the Honourable Finance Member in another place when this duty came in for the first time. I hope, Sir, they will help Honourable Members to come to a decision about the Bill before us. With your permission, I would read a few lines from the remarks made by Sir George Schuster in another place on the 30th March, 1931. Discussing the recommendation of the Special Salt Committee set up by the other House, he said :

“The proceeds of the duty should be earmarked for the following objects :

- (1) The development of certain Northern India salt sources in the manner recommended by the Salt Survey Committee.
- (2) The investigation of the possibility of development of other sources of supply in India, particularly in the eastern parts of India which have not yet been investigated.
- (3) Any further measures that might be found necessary in the light of experience to secure the stabilization of prices, for example, the establishment of a marketing board and the provision of working capital and a reserve for such a board”.

Sir, the main object underlying this duty was in the first instance to make India self-supporting in the matter of her salt supply and to see that the Northern India salt industry should be so developed as to capture the Bengal market, which consumes about 500,000 tons of fine Whitecross salt. The Finance Member went on to say :

“The essence of the scheme is not to protect Aden, though Aden production is going to be very useful to us in controlling prices, but the essential purpose of the scheme is to develop the internal inland sources of production in India”.

[Mr. Satyendra Chandra Ghosh Maulik.]

Sir, in this connection I would also like to invite the attention of the House to the strong protest lodged by the Bengal Members in another place and also I would like, with your permission, to read the Resolution which was passed in the local Council in 1931 :

" This Council considers the proposal of the Government of India to impose a further duty of 4½ annas per maund on all imported salt and to give a rebate to Aden merchants as unjust and inequitable and calculated to throw an unfair burden on the people of Bengal, and so enters an emphatic protest against the proposal and requests the Government of Bengal immediately to urge the Government of India to abandon it "

This Resolution was carried by the Bengal Council by a huge majority. But in spite of all these protests from Bengal Members in another place and also in this House this additional import duty on salt was imposed in 1931.

Sir, I have already informed the House that in Bengal we consume about 500,000 tons of fine Whitecross salt and from a perusal of the facts and figures that have been supplied to us by the Salt Department we find that as far as the foreign salt is concerned its import has dwindled and Bengal gets about 70 per cent. of her salt from Aden, the rest coming from Northern India and other salt sources. It was also suggested and agreed to at that time that Bengal would get a portion of this additional import duty for developing her salt resources. This duty has been in existence for the last four years and although the Bengal Government has got about Rs. 12 lakhs every year for this purpose nothing has been done to expand her salt resources. The money has been spent on other departments, law and order, etc. So the net result is that the Bengal consumer is unnecessarily burdened with this duty. The salt industry in Northern India has not developed much during the years of the continuance of the additional duty and there is no likelihood in the near future of the Northern India salt sources being able to supply the full demand of the Bengal market. (An Honourable Member : " Madras can supply it".) But that was not the original idea. We in Bengal use the fine Whitecross salt and I do not know whether Madras can supply it. We have a taste for fine Whitecross salt. (An Honourable Member : " Foreign salt".) I do not say " foreign ". We should be happy to use the same kind of indigenous salt. That being so, the only effect of the continuance of this duty is to put an unnecessary burden on the salt consumers of Bengal and goes to benefit the salt industry of Aden, which was not the main object of the duty. Then again, we are all aware that Aden is going to be transferred from India in the near future, most probably in a few months' time or earlier still. So, the net result is that Bengal is suffering unnecessarily to benefit Aden which in the long run would not be a part of India, and in the name of Bengal I oppose this measure.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, if I intervene in this debate it is only to clear one point and it is this. We will not take up the attitude that my friend Mr. Ghosh Maulik took that day when the Wheat Protection Bill was being discussed. He opposed it and placed the case of Bengal consumers before the House. Sir, I am one of those who believe that India should be self-contained in all these matters and as long as it is so there is absolutely no harm in giving protection to these industries. Then, Sir, I would ask one question from the Government. I find that since 1931 this Bill is coming year after year. I do not know why the Government brings it every year as a tail of the Finance Bill. We want to know the reason why a definite period of protection is not fixed ? I asked the same thing when the Wheat Protection Bill was being discussed last year and to my surprise I

found that the Government reduced the wheat protection duty this year from Rs. 2 to Re. 1-8-0. I do not know if the object of the Government is the same, to treat salt protection in the same way as they did in regard to wheat protection or whether there is any other object ? I hope my friend Mr. Tallents will explain why he is bringing this Bill every year as a tail of the Finance Bill ?

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : Before I lend my support to the Bill, Sir, I want to know from the Honourable Mr. Tallents—

THE HONOURABLE THE PRESIDENT : This is not the time to ask questions but to speak on the Bill. The points you desire to elicit may be incorporated in your speech and the Honourable the Government Member if he chooses will reply to the question when he is replying.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : On a point of information, Sir, I want to know before I make a speech and support or oppose the Bill.

THE HONOURABLE THE PRESIDENT : You ought to have made up your mind long ago.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : On a point of information, Sir, I want to know whether the quota which my friend opposite said was allocated to Bengal is going to be utilised for the development of the salt industry in Bengal after Aden is separated from India ?

THE HONOURABLE MR. A. H. LLOYD (Government of India : Nominated Official) : The present Bill, Sir, deals with the imposition of the additional duty for one more year. So far as I am aware it is not likely that within that year Aden will be separated from India. Therefore the Honourable Member's question does not arise. He asked what would be done after Aden is separated from India ?

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Very well, Sir. After I have got this reply from the Honourable Member that Aden is not going to be separated I lend my support to the Bill with the following suggestions.

THE HONOURABLE THE PRESIDENT : He did not say anything of the kind. What he did say was that it will not be separated this year.

HONOURABLE MEMBERS : Not this year.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Thank you very much for your information. Sir, I support this Bill with the following observations, that a committee of officials and non-officials be appointed from the central Legislature and the provincial Councils with an expert from England—

THE HONOURABLE THE PRESIDENT : Order, order. Have you given any notice of your amendment which you wish to move in this Council ?

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : No, Sir.

THE HONOURABLE THE PRESIDENT : At this stage, the consideration stage, you cannot move an amendment or speak on anything in the form of an amendment.

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THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Sir, I support the Bill with the following observations :

(1) I desire that the Government of India should appoint a committee of officials, an expert and non-officials of the central Legislature and the provincial Councils with a view to develop the salt industry in Bengal, and

(2) The quota which has been given to Bengal should be utilised for the development of the salt industry in Bengal.

With these remarks, Sir, I support the Bill.

THE HONOURABLE MR. A. H. LLOYD : Sir, I think there is very little desire on the part of the House that I should speak at any length in replying to the speeches that we have had on this Bill. With regard to what was said by my Honourable friend from Bengal as regards the disposal by the Government of Bengal of its share of the additional import duty, I can only say that it was never stipulated that the Government of Bengal should so spend its money. The original Resolution of the Assembly had a rider recommending that the views expressed by the Assembly at the time that the Resolution regarding the distribution of this additional duty was carried should be brought to the notice of local Governments. The local Governments concerned, namely, those of Bengal and Bihar and Orissa, have repeatedly told us that in their opinion the prospects of usefully spending this money for the purpose of developing the local sources of salt supply in those provinces were not so good as to make them feel justified at a time of financial stringency in devoting money for that purpose when the local Governments were in sore need of money for more certain and assured benefits to the population of the provinces concerned. It is not the intention of the Government that this year any more than in previous years any definite and binding instructions should be given to the Government of Bengal in this respect. I may add for the information of the Honourable Member that the local Government of Bengal has undertaken certain measures with the details of which I will not weary the House ; these measures are being financed by the Government of India out of the surplus that we have, from our share, and at the present stage that is sufficient. Bihar and Orissa have also taken up the examination of similar possibilities, but has not come before us with any concrete proposals which will involve our spending some of our small margin of funds. As regards the speech of my Honourable friend from the United Provinces, which I know is only to a very negligible extent affected by this duty, I regret to see that he is one of those who consider that in no circumstances should the consumer be taken into account, that matters of fiscal policy must be regarded without—

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : What I said was that so far as the question of India being self-contained was concerned, I am one of these who believe that every protection should be given to Indian industries to make India self-contained. I said nothing about the consumer.

THE HONOURABLE MR. A. H. LLOYD : That, Sir, is precisely what understood my Honourable friend to say ; make India self-supporting regardless of the burden on the consumer. That is a policy which the Government have not adopted as a final and definite policy and I do not think they can be expected to do so. The Honourable Member again asked why this Bill is brought forward every year ? The main answer to that is that the Government of India, unlike the Honourable Member, do wish to take the interest of the consuming provinces into consideration as well as the interests of those

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who produce salt in other parts of India, and there has been considerable difference of opinion from time to time on this point. Two years ago, I think it was, in response to a very strong protest from Bengal and Bihar and Orissa, the Legislature agreed to reduce the rate of additional duty from $4\frac{1}{2}$ to $2\frac{1}{2}$ annas. Had the additional import duty been imposed for a long term in the first instance, that concession to the interests of the consuming provinces could not have been made without very much more trouble.

As regards what fell from the lips of the Honourable Mr. Suhrawardy, I am not in a position to say that any committee will be appointed to examine the possibility of developing salt in Bengal but I will bring his suggestion to notice in the proper quarter.

With these remarks, Sir, I support the Motion that the Bill be taken into consideration.

THE HONOURABLE THE PRESIDENT : The Question is :

“That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be taken into consideration”.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. P. C. TALLENTS : Sir, I beg to move :

“That the Bill, as passed by the Legislative Assembly, be passed”.

The Motion was adopted.

INDIAN MINES (AMENDMENT) BILL.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary) : Sir, I move :

“That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, as passed by the Legislative Assembly, be taken into consideration”.

Sir, this House last August passed the Factories Bill. I would now ask it to carry one stage further the process of the legislative regulation of industrial labour. The principal object of this Bill is to regulate the hours of work of those engaged in mines ; and for this purpose labour is divided into two classes. Firstly, there are those who work above ground. In regard to them the present Act allows 60 hours a week, 12 hours a day and a weekly holiday. The Bill follows the Factories Act and provides for 54 hours a week, 10 hours a day and a weekly holiday. As regards workers below ground, the present Act allows 54 hours a week, 12 hours a day and a weekly holiday. The Bill provides for 54 hours a week, nine hours a day and the same weekly holiday. The nine hours however will count from the moment the man leaves the surface until the moment when he returns to the surface. After leaving the surface he has still to descend the shaft and to find his way from the bottom of the shaft to the working face. It will follow that in most mines his actual working time will not substantially exceed eight hours and in some of the larger mines it may be even less than eight hours. That, Sir, is the principal object of the Bill.

[Mr. D. G. Mitchell.]

There are two subsidiary objects of sufficient importance to justify a short reference even at this time of the session. The first is the treatment of children and adolescents. The present Bill prevents persons below the age of 13 from working in the mines at all. The Bill goes a great deal further than this and prevents children below the age of 15 from working in mines; and, still more, it provides that young persons or adolescents from 15 to 17 may not work in the mines unless they are in possession of a certificate of physical fitness. In this respect the Bill shows a very marked advance on the present Act. The second important point relates to the representation of miners on the Mining Boards. At present they are allowed to have one representative on the Board who is nominated by the local Government. The owners of mines are allowed to have two representatives. The Bill proposes that the miners should now have the same number of representatives as the owners, namely, two, and that in so far as the industry is organised these representatives should be elected.

Sir, I will conclude by a few remarks on the progress of the Bill through the lower House. It was the Select Committee which introduced the provisions as regards adolescents. In the Select Committee attempts were also made further to restrict the hours of labour, and the question of the representation of miners on Mining Boards was discussed but as no definite proposal was put forward it appears that it was dropped in Select Committee. When the Bill came before the Assembly for consideration the representatives of labour came forward with specific proposals regarding the representation of miners and these were accepted by Government and now appear in the Bill.

Again, the question of a reduction of hours, particularly the hours below the surface, was pressed in the Assembly, but the Honourable Member in charge of the Bill gave an undertaking that after three years the whole question would be re-examined, and on this undertaking the Bill was passed, I understand, unanimously.

Sir, I commend the Bill to the House as being suitable to existing conditions in India, and as being supported by all shades of opinion in the lower House and as being supported by Government. At this late stage of the session, Sir, I think brevity is more to be commended than oratory, and I will finish by recommending the Bill to the House.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, I rise to congratulate the Government on the measure they are just going to place on the Statute-book. Sir, this is a measure of compromise between labour and capital. The Government in this measure have proposed certain amendments by which the condition of the labourers in mines will be certainly improved. Sir, so far as this Bill is concerned, I have to draw the attention of the Government to two clauses in particular. The first is clause 2 in which they have increased the minimum age of employment from 13 to 15. As far as I know the Labour Commission recommended that the age should be 14 and I think it was but proper for the Government to keep up that age because India is a poor country where villagers are not in a position to send their boys to school and they begin to start work from a very early age. It was all right that these boys of 14 years of age should not have been allowed to work underground but there was absolutely no harm if they were allowed to work above ground. After all, the first age limit that Government had fixed was 13 and the Labour Commission had recommended that it should be 14 and Government had accepted it.

Then, Sir, the second point that I want to bring to the notice of the Government is clause 3. In clause 3, I understand that Government had raised the representation of the mine workers on the Mining Board equal to that of the employers from one to two according to the recommendation of the Labour Commission.

On this point I agree with the remarks made by some of the members in 12 Noon, the Select Committee when they said:

"We hold that the representation of persons employed in mines on the Mining Board should be by some method of election, preferably by trade unions, where they exist. We do not think that election is impracticable. Proposals for the future constitution of India provide for the representation of labour interests in Legislatures by election".

I would request the Government to see their way to agree to this suggestion that the representatives should be returned by election and not by nomination.

c With these words, Sir, I support the measure.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, it is a great pleasure for me to be able to congratulate the Honourable Mr. Mitchell on the Bill which he has just placed before this House. It is a thoroughly good measure and the Honourable Mr. Mitchell and the Department of Industries and Labour deserve the hearty congratulations of this House. Sir, I approach this measure from a point of view different to that of the Honourable Mr. Mehrotra. If I was making any complaint against the Bill—and I am not making any complaint against the Bill—I should have made the complaint that it did not go far enough in certain directions, because I am, if I may say so absolutely in agreement with the line taken by the minority of the Select Committee of which such esteemed representatives of Labour as Mr. Joshi and Mr. Giri were members. So far as the Bill itself is concerned, I find that clause 2 has raised the age for children from 13 to 15. The Royal Commission on Labour suggested the minimum age to be 14. I am glad that Government have gone further than the Royal Commission on Labour and I think that having regard to the special character of the mining industry, it is not desirable that children of 14 and under should be allowed to work in mines. I entirely disagree with the Honourable Mr. Mehrotra on this point.

Sir, I am also very glad that Government have been responsive in regard to clause 3. In clause 3 the representation of mine workers has been made equal to the representation of employers and the mine workers will hereafter be in a position to elect their own representatives. Sir, Government have shown responsiveness in regard to this measure and they deserve to be congratulated on the way in which they have handled this Bill. So far as the question of hours is concerned I am glad that the hours of work have been reduced. I should certainly have liked them to go further, but Government have given us an assurance that they will consider the matter three years later. The position can be reviewed three years hence and as the present Bill represents a compromise measure, I do not wish in any way to raise a note of dissent.

Sir, there is just one question I should like to ask the Honourable Mr. Mitchell and that is what the position is with regard to women. Are women allowed to work in mines?

THE HONOURABLE MR. D. G. MITCHELL: No, Sir.

THE HONOURABLE MR. P. N. SAPRU : I am very glad that they are not allowed to work in mines.

With these words, Sir, I entirely and whole-heartedly support this measure which is a thoroughly good measure, as I said at the beginning of my speech.

THE HONOURABLE MR. D. G. MITCHELL : Sir, I have little to add to what the Honourable Mr. Sapru has said except to clear up a misconception which appears to arise from the speech of the Honourable Mr. Mehrotra in which he expressed regret that the elective principle had not been introduced for representation of miners on the Mining Board. If he reads clause 3, he will find that that clause is a very reasonable compromise and allows the elective principle in so far as trade unions are organised and allows nomination only in other cases. In these circumstances I would suggest that this is a solution which meets with all shades of opinion, in that it recognises that in particular conditions both the elective and the nomination principles are sound.

THE HONOURABLE THE PRESIDENT : The Question is :

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clauses 2 to 18 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. D. G. MITCHELL : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

MOTION *RE* EXPRESSION OF LOYALTY AND DEVOTION TO HIS MAJESTY THE KING EMPEROR ON HIS SILVER JUBILEE.

THE HONOURABLE THE PRESIDENT : The Secretary will now ring the bell.

(The bell was then rung.)

THE HONOURABLE THE PRESIDENT : The next item on the agenda is the Motion for the expression of our loyalty and devotion to His Majesty the King Emperor on his approaching Silver Jubilee. This Motion stands in the name of two Honourable Members, the Honourable Raja Charanjit Singh and the Honourable Rai Bahadur Lala Ram Saran Das. Some weeks ago the Honourable Raja Charanjit Singh gave notice of this Motion and subsequently the Honourable Rai Bahadur Lala Ram Saran Das expressed to me his desire to associate his Party also with this Motion. The Honourable Raja Charanjit Singh has at my request kindly agreed that the Honourable Rai Bahadur Lala Ram Saran Das, the Leader of the biggest party in this House, should make this Motion.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, it is a great privilege and gives me much pleasure in moving the following Motion :

"This Council requests His Excellency the Viceroy to convey to His Imperial Majesty the King Emperor an expression of their deep devotion and loyalty to his Person and Throne, and their respectful congratulations and sense of profound happiness on the auspicious occasion of His Majesty's Silver Jubilee, and their earnest prayers for His Majesty's long life and reign".

Sir, I deem it a privilege to move this Motion, as it expresses the universal feeling of deep regard for the person of His Imperial Majesty the King Emperor. In moving this Motion I have been authorised by my Party to say as follows. We have our differences, and at times serious differences, with the Government of the day, but we feel that this should not deter us from whole-heartedly joining in offering our respectful congratulations to His Imperial Majesty the King Emperor on the historic occasion of the Silver Jubilee celebrations of his reign. While it is true that His Imperial Majesty is above politics, we recall with pride that in the Royal Proclamation inaugurating the existing constitution and in the Royal Message sent through His Royal Highness the Duke of Connaught, His Majesty promised us development towards fullness of political freedom and the achievement of swaraj. Though since the exit of the late Mr. Montagu the British Government would appear to have changed its angle of vision and to have gone back on its promises, the fact remains that the reign of His Majesty has marked the declaration of a new ideal in regard to the political evolution of India. We hope that the Government will still see its way to honour the Royal pledges and we earnestly pray that His Majesty may live long and that he may soon see the grant of Dominion Self-government to India under the aegis of the British Crown.

I trust that this Motion will commend itself to all shades of opinion in this Council and will be passed with acclamation and that you, Sir, will convey it to His Excellency the Viceroy for submission to His Majesty at the earliest possible date. (Applause.)

THE HONOURABLE THE PRESIDENT : I will request Honourable Members to be as brief as possible and avoid all controversial matters.

SEVERAL HONOURABLE MEMBERS : No speeches are necessary. We all agree.

THE HONOURABLE RAJA CHARANJIT SINGH (Punjab : Nominated Non-Official) : Sir, it is a matter for great gratification that in a few days' time His Imperial Majesty shall have completed 25 years of his beneficent reign. We are indeed thankful to the Almighty for giving us this opportunity of celebrating this auspicious occasion. It is therefore only right and proper that this Council should respectfully offer to His Imperial Majesty an expression of their deep devotion and loyalty to his Person and Throne and their respectful congratulations and sense of profound happiness on the auspicious occasion of the Silver Jubilee, and their earnest prayers for His Majesty's long life and reign. It was with this object, Sir, that I gave notice of this Resolution more than two months ago and I am glad to find that all sections of this Honourable House have received it with enthusiasm. (Applause.)

I had the honour and privilege to be invited to His Imperial Majesty's Coronation and have also had the honour of being presented to His Majesty during my subsequent visits to England. I can therefore speak with personal knowledge when I say that His Majesty watches with truly paternal love

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[Raja Charanjit Singh.]

and affectionate solicitude the interests of us all. His Majesty fulfils all the ideals of kingship and wisdom and justice have always been the guardians of his throne. From every place of worship and from the tabernacle of every heart prayers will go up to Heaven for his happiness. In conclusion I would request you, Sir, to ask this Council to pass this Resolution standing.

THE HONOURABLE KUNWAR JAGDISH PRASAD (Leader of the House) : Sir, the Empire will soon be celebrating the 25th anniversary of the accession to the throne of His Majesty the King Emperor. It is in harmony with the deep-seated traditions of loyalty of the Indian people to the person of their Sovereign that the Council of State should by this Motion convey its humble and loyal congratulations to His Majesty. Sir, the reign of His Majesty has been one of the most momentous in history. Soon after he had ascended the throne came the Great War. While the world saw the tragic crash of thrones and the downfall of empires, the British Crown emerged from this great ordeal stronger than ever and more firmly established in the affections and loyal devotion of its people. And, Sir, the reason was not far to seek. His Majesty identified himself with the righteous ideals of his people, with their joys and sorrows, and his ceaseless devotion to duty drew the people nearer to him and steered their determination to see that the war was prosecuted to a successful issue. And then, Sir, another most memorable event occurred. More than a million people from this country crossed the seas in support of the cause which their Emperor and the Empire were battling. This I regard, Sir, as one of the greatest events in the history of the relations between India and England. The sight of thousands of men of alien race, of a different religion, hurrying to the support of the Empire in a time of great crisis, of great peril, appealed to the imagination and to the idealism of the British people in a manner they had never done before, and that I regard as one of the turning points in the history of the relations between the two countries. It left a deep impress on subsequent political events. I think it will be conceded that it paved the way for India to reach its ultimate goal as an equal partner in that Comity of Nations known as the British Empire. The first step was taken in 1921. I am confident that when the dust of political controversy is laid low, His Majesty's reign will be regarded by the chronicler of the future as one of the most momentous epochs in the constitutional development of this country.

Sir, I and those sitting behind me associate ourselves with other Honourable Members in humbly and dutifully and loyally congratulating His Majesty on this most joyous occasion and in wishing His Majesty many years of a prosperous and peaceful reign. (Applause.)

THE HONOURABLE THE PRESIDENT : It appears to be the general desire to pass this Motion without many speeches?

SEVERAL HONOURABLE MEMBERS : Yes, no speeches.

THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ (East Bengal : Muhammadan) : We should like to speak on behalf of our constituencies.

SEVERAL HONOURABLE MEMBERS : No, no. No speeches.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : I would like to speak on behalf of a Party.

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THE HONOURABLE THE PRESIDENT : Then I would be obliged to ask all Honourable Members to speak.

(The Honourable the President asked those Members who wished to speak and those who did not desire any more speeches, respectively, to rise in their places, and announced that the majority was against further speeches.)

THE HONOURABLE THE PRESIDENT : Honourable Members, I wish to whole-heartedly associate myself with what has fallen from the Honourable Lala Ram Saran Das, the Honourable Raja Charanjit Singh and the Honourable Leader of the House and I congratulate the Members of this supreme Council in India on their sagacity and wisdom in bringing forward this Motion today (Applause) and wishing to pass it unanimously. Honourable Members will rise in their places when I read the Motion.

(Honourable Members stood up.)

* This Council requests His Excellency the Viceroy to convey to His Imperial Majesty the King Emperor an expression of their deep devotion and loyalty to his Person and Throne, and their respectful congratulations and sense of profound happiness on the auspicious occasion of His Majesty's Silver Jubilee, and their earnest prayers for His Majesty's long life and reign.

The Motion was put and carried unanimously.

THE HONOURABLE THE PRESIDENT : I will convey, Honourable Lala Ram Saran Das, the sentiments expressed in your Motion to His Excellency the Viceroy and request him to communicate the sense of loyalty and devotion on the part of this Council to His Majesty the King Emperor.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I thank you, Sir.

The Council then adjourned *sine die*.

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