THE

LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

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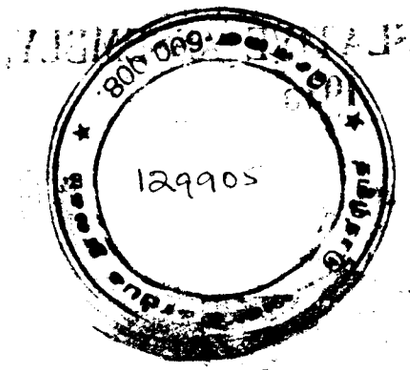
(18th March to 8th April, 1936)

THIRD SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY, 1936

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1936



Legislative Assembly.

President :

THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I., KT.

Deputy President :

MR. AKHIL CHANDRA DATTA, M.L.A.

Panel of Chairmen :

PANDIT GOVIND BALLABH PANT, M.L.A.
SIR COWASJI JEHANGIR, BART., K.C.I.E., O.B.E., M.L.A.
SIR LESLIE HUDSON, KT., M.L.A.
SIR MUHAMMAD YAMIN KHAN, KT., C.I.E., M.L.A.

Secretary :

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

Assistant of the Secretary :

RAI BAHADUR D. DUTT.

Marshal :

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

Committee on Petitions :

MR. AKHIL CHANDRA DATTA, M.L.A., *Chairman*
SIR LESLIE HUDSON, KT., M.L.A.
MR. B. DAS, M.L.A.
DR. ZIAUDDIN AHMAD, C.I.E. M.L.A
MR. M. S. ANEY, M.L.A.

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LEGISLATIVE ASSEMBLY.

Wednesday, 18th March, 1936.

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

REPORT OF THE INDIAN DELIMITATION COMMITTEE.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I beg to move:

"That the time fixed for the presentation of the Report of the Select Committee to consider the Indian Delimitation Committee's Report be extended up to the 18th March, 1936."

Mr. President (The Honourable Sir Abdur Rahim): The Chair thinks the time originally fixed was the 17th?

Mr. Akhil Chandra Datta: Before the 18th.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the time fixed for the presentation of the Report of the Select Committee to consider the Indian Delimitation Committee's Report be extended up to the 18th March, 1936."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The Chair wants to inform Honourable Members here, specially the Mover of the original motion appointing the Committee—it was Pandit Govind Ballabh Pant—that it received a letter from Mr. Jinnah, dated today, that his name was mentioned as a member of the Select Committee without his knowledge and that he does not wish to serve on the Committee; and the Chair may inform Honourable Members that the practice has always been to obtain, first of all, the consent of any Member who may be nominated on a committee.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I am aware of the practice, Sir. I merely wanted to put in the names of all the leaders of parties, and, as Mr. Jinnah was not here, then I thought it would look a flagrant omission if I did not put his name on the list.

Mr. President (The Honourable Sir Abdur Rahim): However, that is the ordinary practice.

Mr. Akhil Chandra Datta: Sir, I beg to present the Report* of the Select Committee appointed to consider the Delimitation Committee's Report.

**Vide* Appendix at the end of the day's proceedings.

THE INDIAN FINANCE BILL—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume discussion of the motion for consideration of the Indian Finance Bill.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Sir, I must apologise in the first place for the precipitancy with which I rose to catch your eye. I must say that I thought that you were asking the House to discuss or resume discussion of the Finance Bill, and, being the modest person that I am (Laughter), I thought I should not miss your eye on this occasion. For most of us who sit in this section of the House, the discussion of the Finance Bill is in the nature of a Barmecide's feast: we are mere observers: we hardly participate. If I transgress the traditional practice on this occasion, it is for two reasons. In the first place I think an apology is due to my Honourable friend, Dr. Rajan, that when he discussed certain important matters pertaining to the department which I have the honour to represent in this House I was not in my seat. I shall plead this in extenuation of my absence, that the overture of my Honourable friend's speech sounded more like another episode in the struggle between orthodox and unorthodox finance than a reference to the subjects with which I am concerned. My second reason for intervention is that, in view of the very reasoned, and if I may say so, helpful speech that my Honourable friend, Dr. Rajan, made, it is only appropriate that I should give him such explanation as I can of the attitude of the Government of India in regard to the three main points that he raised. That will be the limit of my intervention, and I shall not transgress on the time of the House longer than is necessary in order to explain these matters.

My Honourable friend dealt with three points: first, malaria, second, nutrition and third dairying. Now, I take up these points in that order: malaria first. My Honourable friend drew a very alarming picture of the ravages of malaria, whether in the toll that it takes of human life or the suffering that it entails, or the economic loss that it inflicts upon this country. I have no desire to contest most of what he said, although it is possible to argue that the picture here or there was overdrawn. The fact remains that malaria is the most persistent, the most widespread scourge in this country, the scourge which needs the utmost attention on the part of the Government. But when he proceeded to say that in the utilisation of the one remedy, whether as a prophylactic or as a curative, that we have against malaria, namely, quinine, the Government of India had abandoned their humanitarian policy for a commercial policy, I beg to differ from him. The facts briefly stated are these.

When Mr. Montagu was in office as Secretary of State for India, he decided that the Government of India should equip themselves in every possible way to make India self-sufficient in her requirements of quinine. It was at the height of the war boom that he came to this decision; nevertheless, he entered into an agreement with a Dutch combine in Java for the purchase of quinine and cinchona bark. That transaction continued from 1919, until, I think—I am speaking from memory—1928. That cost us lakhs and lakhs of rupees. But that was not enough for him. He said: we do not wish to be dependent upon an external source of supply for our requirements of quinine; we must explore the

possibilities of producing cinchona, the raw material of quinine, ourselves. For that purpose Colonel Gage was placed on special duty; he toured all over India, and he finally selected, as my Honourable friend is aware, a certain site in Maymyo for the purpose of growing cinchona. Not only that. The Government of India, in pursuance of that policy, entered into negotiations with the Government of Madras to re-equip and enlarge their factory at Nadavattam and also with the Government of Bengal. In other words, the sails were set fair for a policy of self-sufficiency in regard to the supply of quinine for consumption in India. What happened? We had the Government of India Act of 1919. Public Health was made a transferred provincial subject. No doubt there is a provision made in the Devolution Rules for the Government of India to control the production and the distribution of quinine; but no power lies in the Governor General in Council to regulate the consumption of quinine; and in the event, what happened was this. The provinces said they could not take as much as we were prepared to offer them, they would take just as much quinine as they considered they could utilise or afford with the resources at their disposal. That, Sir, is the position with which we started in 1921, with which we have been faced ever since and which has ultimately led to the abandonment of the policy of centralisation of the production of quinine by the Government of India. In 1932, Sir, when we were faced with a situation in which stocks were accumulating and the Local Governments were not taking enough from us, we asked the Local Governments whether they would purchase quinine from us over and above their ordinary requirements at the rate of Rs. 12 per pound which, in effect, was roughly Rs. 6 a pound below our cost of production including overhead charges. The replies that we received were extraordinarily disappointing. So, ultimately, under pressure from the Public Accounts Committee we came to the conclusion that we had no alternative but either to dispose of this quinine to whoever would buy it at a reasonable price or to give it away. Before giving it away, we thought we would try our luck with regard to the disposal of this quinine at an economic price, not at a profit as my Honourable friend seemed to suggest, because, as I explained to him the other day, our cost of production, including overhead charges, is scarcely less than Rs. 18 a pound, which is the price we charge to Local Governments. That being the position, we did try to sell this at that figure and we thought we would sell it to the trade. What was the position? My Honourable friend said yesterday that we had sold as much as 150,000 pounds of quinine at a profit last year. May I inform my friend that including sales to Local Governments, what we have sold, not in the last one year, but in the past five years, is about 90,000 pounds of quinine, and that so far as the sales to the trade are concerned, all that we have managed is to sell six or seven thousand pounds of quinine. So, Sir, there has been no question either of sales at a profit to Local Governments or of any considerable sales to the trade . . . .

Dr. T. S. S. Rajan (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): May I rise to make a personal explanation, Sir? I never said that you were selling quinine to Local Governments at a profit, I said you sold quinine to Ceylon during the epidemic of last year, and my contention was not about the sale of quinine to Local Governments but through post offices.

Sir Girja Shankar Bajpai: Sir, I am coming to the point which my Honourable friend has mentioned. My friend says that his contention was that we have sold 10,000 pounds, that is the amount, to Ceylon. That, again, we did not sell at a profit. We sold it at the same rate at which we sell it to Local Governments, *viz.*, Rs. 18 a pound. I do not think my Honourable friend will blame me for having indulged in profiteering there. But the important point to remember is that we have not sold anything like 150,000 pounds either to Ceylon or to anybody else. The sales of quinine to Ceylon have been something like 10,000 pounds, to the trade something between five to seven thousand pounds, and the rest of the sales, Sir, as I explained just now, have been to Local Governments within the Government of India's area of distribution. That, Sir, is the position.

My Honourable friend then said, in his intervention just now, that his complaint was that profiteering was being indulged in by sales through post offices. Let me inform him in the first instance that the Government of India do not sell quinine through post offices at all except it be in the directly administered areas of Delhi and Ajmer-Merwara which after all is only a very small fraction of the total sales of Government quinine in this country. The sales through the post offices are made by Local Governments out of the quinine which they purchase from the Government of India. Now, it is perfectly true that there is a big gap between Rs. 27 or Rs. 28 which, I believe, is the price in Madras, but the figure varies,—there is a big gap between the price which is charged for sales through post offices and the price at which the Government of India supply it to the territories directly in their sphere of distribution. The explanation of that practice of Local Governments probably is first that they have to meet the cost of distribution, which is something in the neighbourhood of Rs. 2 or Rs. 3 per pound, and the rest of the profit that they make is actually utilised by them in order to increase the free distribution of quinine which takes place in the provinces over and above the sales that take place at a comparatively cheap rate to the ordinary consumer. That, Sir, is probably the explanation of this very large difference between the selling price through the post offices and the price at which they buy from us. In any case, what I am concerned to point out to the House on this occasion is that it is not the Government of India who indulge in any profiteering either in the sales to Local Governments or in their sales through post offices. The point which my friend has made I shall bring to the notice of the Local Governments again, but what I wish to impress further upon my friend is this. The Government of India are not responsible for the distribution of quinine throughout India. As it happens, and he must be aware of that, there are two partners in this scheme or plan of distribution, Bengal who are producers and Madras, who are also producers. Our own sphere of activity is limited to Ajmer-Merwara, Delhi the United Provinces, the Punjab, North-West Frontier Province and the Indian States within the Rajputana and Central India Agencies . . . .

Dr. T. S. S. Rajan: May I know, Sir, how the post offices in these areas sell quinine, can the Honourable Member inform me about that?

Sir Girja Shankar Bajpai: I have already informed my friend that in the provinces prices vary between Rs. 23 a pound and Rs. 29 a pound, but the point I wish to impress again upon my friend is this:—we do not get anything out of the sales that are made through the post offices. The Local Governments make the sales through the post offices, the proceeds are credited to them, and the explanation that I have offered of the difference is that to the extent that it is not accounted for by the cost of distribution, the profits are utilised to increase the amount which is distributed free by them . . . .

Dr. T. S. S. Rajan: I am talking of the Centrally administered areas where the distribution is made through the post offices.

Sir Girja Shankar Bajpai: Well, as regards that, I do not happen to have the figures with me at the present moment, but in any case what probably happens is that the local post offices conform in the matter of price to the adjoining Local Governments, that is to say, Delhi, to the Punjab and Ajmer-Merwara, and the Rajputana States to the U. P. But I have already undertaken to have that point examined. So far as we are concerned, we have actually given away 45,000 pounds of quinine for free distribution. We do not stand to gain very much by selling this quinine to people at Rs. 27-8-0 per pound in the very very exiguous area and population for which we cater direct. That is the position as regards the sales of quinine either directly by the Government of India or in the areas which are under the direct control of the Government of India.

One word more, Sir, about the policy of self-sufficiency. I pointed out to my friend that, although we undertook expenditure on the acquisition of quinine and we undertook expenditure on the development of plantations, there was not from the provinces the response that was needed in order to continue production on a progressive scale. Not only that. Under the new Government of India Act, even the powers that are now vested in the Governor General in Council under the present Act to regulate the production and distribution of quinine disappear. I happen to speak from personal knowledge, because, Sir, I was actually present at the first Round Table Conference, and this point was actually raised there. The opposition from provincial representatives was universal, and therefore you now find yourself faced with the position when the Government of India under the new Constitution will not even have the measure of power or responsibility that they have at present. In the circumstances, Sir, it would be an act of madness to go on developing plantations, because there is no guarantee regarding the utilisation of quinine even at the minimum cost of production. So we must leave the matter to the Provinces. If the provinces wish to take the initiative in the matter of centralisation, well, they have got to approach the Government of India. I have had investigations made as to the possibility of further increasing production in this country. To be quite frank, the experiment at Maymyo was not a very encouraging one. We put up the plantations in one year and there was very heavy rainfall, and some of the plantations were swept away. The best prospect of developing plantations seems to be in Bengal. They are actually producing something like 54,000 lbs. of quinine every year as against their own local consumption of 25,000 lbs. If there should be a concerted demand hereafter from the provinces for the production of quinine in India in order to meet all their demands, then I submit that the Government of India will only be too glad to take the requisite initiative in the matter. But till then, we can only confine ourselves to the disposal of the stocks that we have. I have already explained to my Honourable friend how 45,000 lbs. have been given away, and there are something like 20,000 lbs. left, over and above the

[Sir Girja Shankar Bajpai.]

reserve of 150,000 lbs. which the Government of India have been advised by their experts to maintain. Some time ago, my Honourable friend, or another Member of the House, I forget now, asked me a question why it was that we considered it necessary to maintain a reserve of 150,000 lbs. Then I mentioned the case of Ceylon where you had a sudden epidemic. They ran short of quinine with the result that they had to turn to the Government of India which was the nearest source available in order to get 10,000 lbs. of quinine. It is hardly likely that if we should have a catastrophe on a proportionate scale in India, anything like 10,000 lbs. would suffice, and therefore, it is only the path of prudence in my opinion that the Government of India should continue to maintain a reserve of 150,000 lbs. There is one point I should like to mention for my Honourable friend's information, and it is this. The watchdogs of public expenditure in this House, I am referring to my Honourable friend, Mr. Satyamurti, and others, when the matter came up before the Public Accounts Committee last August, said: Is it really right that the Government of India should maintain such a reserve without having a proportionate contribution from the provinces? I should like him to remember this when he again reflects upon the question of quinine supply and distribution in this country.

The second point which my Honourable friend raised related to nutrition, I am talking of human nutrition. He referred appreciatively, and I entirely endorse that appreciation—he referred very appreciatively to the work that has been done by Sir Robert McCarrison and Dr. Akroyd. I think he is aware, and if he is not aware, I should inform him, and I shall also take the opportunity of informing this House, that the work of Sir Robert McCarrison has been financed by the Government of India through the Indian Research Fund Association. Of course, the technical credit belongs to these two scientists, but the financial credit, may, if I may say so, be reasonably given to the Government of India. And I may give a few figures. In the course of the last few years I think we have spent as much as Rs. 4½ lakhs on nutritional research. I have in my hands a pamphlet produced under the auspices of Sir Robert McCarrison giving a number of permutations and combinations as regards balanced diets which the peasant or the poor man in this country can consume within the resources that are available to him. Dr. Akroyd is following up this work. It is not, in other words, that information regarding the nutrition value of diets is not available. What is needed, perhaps, is further investigation as to what different sets of people in different parts of the country actually eat, and further how best the results of the researches, that have been carried on already, can be made available to the people at large. In other words, it is a question of dissemination of information more than continuation of research on a intensive scale,—investigation and dissemination of information. My Honourable friend threw out yesterday a suggestion for the creation of a Nutrition Board. I am not in a position to commit the Government or the Indian Research Fund Association on that point now. But it seems to me that, possibly, for assistance in the direction that I have mentioned, namely, investigation and dissemination of information, some such machinery may be useful to us. Unfortunately, I have not had time since overnight to look up what is happening in Japan and in other countries in the world. If my Honourable friend can supply me information as to what the Boards do in Japan and these other countries, I shall also take that into account, but he may rest assured that we are fully conscious of the importance, the

universal importance, of making available to the people at large in this country the results of nutritional research, and any suggestion that he or any other Member of this House can throw out to assist us in the matter of making our task easier will be most sympathetically and carefully considered. That, Sir, disposes of the question of nutrition.

I shall now deal with the last point, namely, dairying.

Lieut.-Colonel Sir Henry Gidney (Nominated non-Official): What about soya beans?

Sir Girja Shankar Bajpai: That is only one item in a balanced diet.

Now, as to dairying, the Honourable Member suggested, not, I say, in any spirit of cavil, but in a spirit of light-hearted humour, that the Government's conscience in regard to the importance of dairying had only been recently stimulated; that this is a gentle titillation and no more than that; that the Government of India had been neglecting their duty in this respect for all these years. Now, Sir, I do not claim for the Government of India, perfection of achievement in regard to this. We recognise that the problem is a very vast problem. I am also prepared to admit that, perhaps, in the past as much has not been done as might have been done for the various needs that are comprehended under the term dairying. There are three things involved there. First we must have a very good breed of cattle, secondly, we must keep your cattle well and feed them properly, and that second thing brings me to the third thing, namely, proper nutritional investigation as to what the cattle in this country are fed on, and what the farmer can afford within resources that are available to him. Finally there is the point which my Honourable friend made yesterday, referring to the economic and scientific utilisation of milk products in this country for the purpose of sale and consumption.

Now, may I just briefly give the House, as briefly as I can, an account of what has been done in this direction? There are maintained by the Government of India, and these are in addition to the farms which the Local Governments may themselves be maintaining—there are maintained by the Government of India three farms for looking after the best known breeds of cattle and for improving them. There is a farm at Karnal, there used to be a farm at Pusa, and it is still there, and there is a farm at Bangalore. Those are the three centres which exist and are maintained by the Government of India for looking after that side of the problem. Since 1923 the Government of India have also maintained a dairy expert whose activities are twofold. First, there is instruction of selected youths in modern methods of dairying and dairy farming. I cannot say exactly how many students have passed through the institution since it was established, but a very large number or most of them are well established either on farms of their own or in the employ of people who run farms. That, Sir, is the instructional work that is being done. Over and above that, he has been giving technical advice to those people who wish to start dairy farms, dairies either in the countryside or in the towns. That is the second stage of the activities of the Government of India in regard to this matter, and I may say that during the last five years these two things have cost us something in the neighbourhood of Rs. 21 lakhs, may be a little more. Now, I come to the point which my Honourable friend mentioned yesterday, namely, the industrial utilisation of milk. For that purpose we have two plants. Unfortunately, as a measure of retrenchment, in 1932 it was decided to close down the Creamery at Anand in Guzerat where we have very good cattle to obtain a milk supply from.

[Sir Girja Shankar Bajpai.]

We are now reviving that; we have secured financial provision for that purpose. That is where research in the method of utilisation of milk and cream is to be carried on, and I hope that that activity will be launched soon. Then, Sir, I mentioned to my Honourable friend that there was the problem of nutrition that had to be considered. For that purpose also, financial provision has been secured and we hope to start in the near future at Izzatnagar a Nutritional Institute which would investigate the question of dietary of cattle that produce milk in this country. So, whether you take it under breeding, or under instruction of people for dairy farming, or whether you take it under the head of utilisation of modern knowledge for the purpose of industrial utilisation and research in regard to all these three matters, the Government have not only been thinking of schemes, but they intend shortly to launch schemes which they hope would produce results of widespread value to the people of this country.

My Honourable friend's practical suggestion yesterday was that we should throw open for grazing forest areas. Now, he knows, as well as I do, that these forest areas are not directly under the control of the Government of India; they are under the control of Local Governments. But I took the precaution of ascertaining from my experts overnight as to what they think of this. They say that actually regulated grazing is allowed even now in forest areas in the provinces.

An Honourable Member: Very little.

Sir Girja Shankar Bajpai: Unregulated grazing, they say, is open to two main dangers. One is cattle disease; the risk of infection is much greater if you have unregulated grazing than if you have regulated grazing. The second is that if there is unregulated grazing then such grasses as are available for purposes of fodder will be rapidly consumed and when they have been consumed the state of the cattle will be much worse than their position today when grazing is regulated. The important thing, they think, on which they ought to concentrate is the regulated production and use of fodder in these forest areas. My Honourable friend is aware that in times of scarcity hay which is produced in the forest is of the utmost value. Their opinion is that that is direction or line along which development is both desirable and feasible, not the indiscriminate throwing open of forest areas for grazing of cattle at large. That, Sir, is all that I have to say. I will end by saying what I said somewhere in the middle of my speech. I am not here to claim that the Government of India have achieved perfection but what I do claim is that whether my Honourable friend has been thinking of malaria control or of nutrition or of dairying, the Government of India are alive to the urgent problems that press themselves upon their attention and the attention of Local Governments and that consistently with their resources they are doing and they are determined to continue to do what they can.

Lieut.-Colonel Sir Henry Gidney: Sir, as the discussion on the Finance Bill affords greater latitude to Members to deal with matters directly or indirectly concerned with the Finance Bill, I take this opportunity to ventilate certain matters of vital importance to employees of all communities in the Central Government Services and which, unfortunately, I was not able to present when the demands for grants were discussed last week.

Although the subject-matter of the remarks I desire to make refers particularly to the revised scales of pay of the Anglo-Indian and domiciled European communities, especially those employed in the Central Government Services, particularly in the Railways and the Posts and Telegraphs, I venture to suggest that the disastrous effects of these revised scales are not confined to the community which I represent. It affects, as I shall try to prove, the educated classes of all Indian communities, because the effects on them of these new scales are equally alarming and disastrous. The complaint is, therefore, common to all communities in India, but I must admit to a greater extent on the community which I represent in this House. Inasmuch as the suffering is common to all communities in India, I am sure my Honourable friends on the opposite benches, in justice to their own electorate, cannot dissociate themselves from the remarks I intend to make on this subject.

Before dealing with the particular aspect of the community which I represent, I should like to place before this Honourable House, in broad outline, the disparity between the rates of pay which obtain today in the Railways and other Government of India Services. The revised rates of pay for subordinates in all departments of Railways, especially the initial stages, is a salary of Rs. 30—3—45/5—60 and Rs. 65—5/2—85. The minimum qualification prescribed for all such employees is the matriculation standard. Do Honourable Members of this House realise and appreciate what this means? It means that an employee, whether he is an Anglo-Indian, domiciled European or Indian will start on an initial salary of Rs. 30 per mensem and will not reach a salary of Rs. 60 till he has completed 9 years service and Rs. 85 till he has completed 17 years service. I ask the Government benches to show me another department of the Government of India, demanding the matriculation educational standard, where an Indian or an Anglo-Indian starts on such a small salary and rises to a maximum of so small an amount after 17 years' service. It further means that if an employee enters service at the age of 20, he is 37 before he reaches the magnificent salary of Rs. 85. If the elected Members of this Honourable House of these educated masses of India are prepared to look upon this as a satisfactory position, I have nothing more to say. For comparison let me give the revised scales of pay of a postal clerk or a telegraphist (in whose case also a minimum matriculation examination is demanded). The postal clerk starts on Rs. 40 and the telegraphist on Rs. 45 a month and he rises by increments 15 15—3—60/4—120 after a certain number of years of service. I ask the Honourable Member why start a postal clerk or a telegraphist on Rs. 15 a month and insist on a cleaner (whatever be his nationality, possessing the matriculation standard) starting on Rs. 10, 12 or 15 per mensem, and then after years as a fireman on Rs. 30 rising to Rs. 50 after years of service. Is it because the latter jobs require greater stamina and greater physical development, is it because they have to work year in and year out by the side of the engine furnace, in the heat of the summer, exposing their lives and the lives of the public to danger, or is it because Government wishes to traffic on the poverty of thousands of these educated young men who greedily seize any job on any salary rather than suffer the pangs of hunger and misery that are associated with unemployment that is running rampant in this country today? The Honourable the Commerce Member, for whom I have a great regard and respect said the other day that there was no fall in the number of qualified Anglo-Indian recruits. Does he

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forget the undeniable fact that today 90 per cent. of Anglo-Indian employees on the Railways are in receipt of the old generous scales of pay and is he aware of the fact that most parents have to come to the rescue and supplement the miserable pittances which these men—may their sons and other relations—are getting today? Does he realise that within twenty years time 90 per cent. of these employees will be in receipt of the new scales of pay and will be totally unable to help their children who are struggling to live on an absolute starvation wage? Then again the Honourable Member stated in reference to cleaners that it was an act of kindness on the part of the East Indian Railway to give employment as cleaners to certain Anglo-Indian boys who were taken some years ago on these low rates of pay of Rs. 10. I am very grateful for the consideration, but may I tell the Honourable Member with all respect that today it is the order of the day, *viz.*, these Anglo-Indian lads whose education cost their parents Rs. 40 and over per mensem are being recruited all over India on this miserable pittance of Rs. 10, 12 or 15 a month. It is not a question of generosity of Railways. It is today a fact and a practice that being a cleaner is the only passport to become a fireman and from a fireman to a driver and from a driver to a foreman and so on. Also this Rs. 10 is the recognised official scale that is given to a certain class of servants called "cleaners" and from that cleaner the Government demands a matriculation standard. I know, Sir, that you can get thousands of illiterate men who will gladly come forward as the coolie classes on this pittance, but it is to that educated boy, Indian or Anglo-Indian, whom the Government is giving this miserable pay—a starvation wage, unknown in any other Government of India Department.

Dr. F. X. DeSouza (Nominated Non-Official): Why do they want a matriculate?

Lieut.-Colonel Sir Henry Gidney: I don't know why? Sir, I know the Honourable Member could get thousands of applicants on any scale. Let me ask him to try the experiment of advertising the jobs of fireman on Rs. 20. He will get thousands of people applying, but I do put it to him that the railways will get only the dregs of the community, *i.e.*, those who have failed to secure employment elsewhere. If a matriculate had to choose between a fireman or a guard's job and a clerical or a telegraphist's job, which do you think he would prefer? He would certainly prefer the job that gives him a higher initial salary, a salary that will enable him to live, and not a starvation wage, and he would also appreciate that on that higher salary he would not have to suffer the hardships and privations and risks that are attendant on employment on railways. I know the railway employee gets some overtime, but that is not pay; that is earned by the sweat of his brow. Sir, even a clerk in a commercial firm is started on a better pay and has hopes of better prospects. I would like to tell my Honourable friend, the Commerce Member, that the Railways will get, in time, only the third and fourth class men as subordinates. The few better men who might join, I can assure him, will soon be disillusioned and become discontented in regard to their prospects, which are, at the best, in most cases, as I said before, Rs. 85 after 17 years' service. These men are too young to realise what is before them today and there are likely to be wholesale resignations afterwards. Sir, I warn the Honourable Member and the Government of India, keen as they are to reduce their overhead costs, anxious as they are to economise and to retrench what are they

leading to? Sir, they are running headlong to suffer heavier financial loss by inviting dishonesty and corruption. Sir, the Honourable the Commerce Member in his Budget speech asked the public to help him in killing this corruption in the Railways. Sir, the Government of India are inviting corruption themselves by placing people in responsible appointments on starvation wages. I ask the Government to remember this. They will find, Sir, in 25 years' time when all railway employees will be on this miserable revised pay, that their revenues will be considerably reduced not on account of reduced cost for staff or lessened goods or passenger traffic but by dishonesty, corruption and bribery which will then be rampant to enable their starved employee to live. Now I ask Honourable Members on the opposite benches—are they prepared to sit complacently in their seats when, perhaps, their own children and relations are to be expected to be satisfied with this position, these pauper's wages?

Mr. B. Das (Orissa Division: Non-Muhammadan): We condemn corruption wherever it is found.

Lieut.-Colonel Sir Henry Gidney: I will thank you not to interrupt me, Mr. Das. Sir, it is time this Honourable House did something to protect these educated men, these youthful subordinates who joined the Railways after 1931, if not it is time these educated men knew the interest taken in them and their scales of pay by their representatives in this House. I know Honourable Members here are keen on improving the standard of living in all grades of life. The Government of India themselves have often stated that it is their declared policy to raise and improve the standard of living of its servants. I ask is this the way they intend to raise the standard of living? Sir, I ask my Honourable friends on the opposite benches to take an absolutely unprejudiced and unbiassed view of this matter as far as it concerns my community. It affects them the same as it affects my community (Hear, hear), but except for my Honourable friends, Mr. Joshi and Mr. Giri, I find no interest whatever taken in this House to combat the revised scales of salaries allotted to these unfortunate classes of workmen. (Hear, hear.)

Now, Sir, it is my duty as the representative of my community in this House to place before this House and the Government my strong protest against these iniquitous scales of pay introduced in certain Central Government Services. Let me deal in detail with the Railways. Sir, till recently there were two grades of subordinate employees on Railways carrying different scales of pay and different systems of promotion. Anglo-Indians and Europeans were recruited to the higher grades carrying higher salaries obviously on account of their high cost of living and education and possibly on account of their services in the Auxiliary Force, while Indians at that time, mainly uneducated, were recruited to the lower grades and scales of pay. Since 1925 Government have been committed to a policy of no racial discrimination. Side by side with that was being waged an acute labour struggle for improvement of the conditions of service of inferior servants who number now about six hundred thousand, but 700,000 a little while ago. In many cases, thanks to the persistent advocacy of my Honourable friends, Mr. Joshi, Mr. Giri and Mr. Jamnadas Mehta, the salaries of railway porters, pointsmen, etc., were increased by about fifty to a hundred per cent. of their pre-war rates. The incidence of cost of the railway administration as a whole under this head alone amounted to Rs. 6

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to 10 per head of these 600,000 menials and inferior servants. Now, I ask the House to try and realize what this means. If six hundred thousand inferior servants were given an increase of only one rupee per month, it would mean an increased expenditure on the part of Government of Rs. 60 lakhs a year. Increase that by fifty or a hundred per cent. of their original salaries, and you have an increased expenditure of Rs. 4 to 7 crores a year —this is the position that faces the Government today and in this cost I exclude suitable habitation, medical attendance and other facilities and amenities which have added substantially to the total expenditure for inferior staff on Railways. I am not suggesting by any means that these inferior servants do not deserve this increase. I am myself very happy over it, and I am glad the Government of India have improved the standard of living of these inferior servants; it was very necessary indeed. But what I wish to say is, when the Government was faced suddenly with this enormous—this prodigious—increase in their expenditure and the world trade depression (for these inferior staff increases were effected just a few years ago), it found an easy excuse to reduce the salaries of those subordinate grades to which Anglo-Indians were previously recruited. In its insistent demand for "no discrimination", this House gave its moral support to this iniquitous reduction in the scales of pay. These higher grade subordinate appointments were brought down to the level of the former lower grades instead of levelling up the lower grades—even if it were one-half or one-third way—to the level of the higher grades, and the Anglo-Indians and domiciled Europeans were sacrificed on the altar of this expediency. But unfortunately this House did not know what they were doing in crying for "no discrimination". Honourable Members undoubtedly thought that by demanding "no discrimination", their own classes would be brought up to the Anglo-Indian level of salaries. But the Government, in its desperate effort to balance the Budget and faced as it was with an annual increase of Rs. 4 crores to 7 crores in the increased wages granted to their inferior servants, the top-heavy administration and the trade depression, gave no regard whatever to the needs of the subordinate. The lower, *i.e.*, the Indian grades, were not materially affected, except that, whereas formerly illiterate Indians were generally recruited to these grades which carried salaries from Rs. 30 and above rising to about Rs. 75 to Rs. 100 per mensem, today the only difference is that matriculates are demanded and recruited. In the case of Anglo-Indians, however, the reductions were both in the starting and maximum salaries of even those posts to which initial recruitment is made from 50 to 60 per cent. Let me, Sir, place before this House and before the Honourable the Commerce Member a few facts which I have extracted from official figures. They will speak for themselves better than anything that I can say. Let me take only three out of many similarly affected classes of employees on railways. In the old scale as firemen, Anglo-Indians were recruited on Rs. 80—10—120 per mensem. The revised scale is Rs. 30—5—50. The reduction in the initial pay is, therefore, 63 per cent. and in the maximum pay 58 per cent. As Ticket Collectors, the old scale of pay was Rs. 70—5—120 per mensem; the revised scale is Rs. 30—3—45/5—60. The reduction in the initial pay is thus 57 per cent. and in the maximum pay it is 50 per cent. Let me give one more instance. Gunner guards, old scale of pay was Rs. 85—10—125 per mensem: the revised scale is Rs. 30—3—45/5—60. The reduction in the initial scale is, therefore, 65 per cent. and in the maximum pay 52 per cent. Sir, these official figures are startling enough and should

prove to the House this one fact that the Anglo-Indian community (and I say other communities also are suffering) are suddenly asked to lower their general economic condition and their standard of living to the extent of 50 to 60 per cent. of the emoluments that they were drawing before 1931. Apart from this phenomenal reduction in the initial and maximum salaries of these posts, let me add that the prospects in the higher posts also have been considerably reduced. In point of fact the salaries in these higher grades have also been reduced in almost all cases from 40 to 60 per cent. With reference to the remarks of the Honourable the Commerce Member the other day that the Gazetted ranks have suffered the most by the revised scales, I would invite him respectfully to deny the statement that I am going to make now. It is this: the driver's maximum pay has been reduced from Rs. 320 to Rs. 180, *i.e.*, by 44 per cent.; the Ticket Inspector's maximum pay has been reduced from Rs. 500 to Rs. 180, *i.e.*, a reduction of 64 per cent. The Head Ticket Collector's maximum pay has been reduced from Rs. 300 to Rs. 120, *i.e.*, a reduction of 60 per cent. The maximum of the Guard has been reduced from Rs. 210 to Rs. 120, *i.e.*, a reduction of 44 per cent. and so on. These reductions are in addition to the withdrawal or curtailment of many privileges enjoyed before which amounted to vested interests that the railway employees enjoyed before, such as passes have been reduced in number, house-rent allowance, assistance for children's education, overtime, etc. The Anglo-Indian, however, is still compelled to sign an agreement that he will serve in the Indian Auxiliary Force before he is engaged on the railways, a condition which is not demanded of any other employee in the Government of India services. Sir, I am one of those who believe with the rest of this House, equal work equal responsibility demand equal salaries. But while the Government of India with one breath states that there must be no racial discrimination with the other breath it practises the very opposite. For it demands from the Anglo-Indian alone as a pre-requisite of employment on railways, compulsory enlistment in a volunteer force called the Indian Auxiliary Force. Can you get a more glaring example of complete variance between practice and preaching. Even the much talked of cost of living which today is 47 per cent. over the pre-war rate cannot be adduced as a reason for the fixation of the present ridiculously low scales of pay. Sir, I think any student of economics knows that the present day cost of living—I speak subject to correction—is just about 47 per cent. above the pre-war cost, *i.e.*, in July 1914, and yet the Government of India have offered to the Anglo-Indian community—indeed all subordinates in the Railway Department, a salary that is half the scales that were given before the war. The Anglo-Indian fireman was started in the pre-war period on Rs. 60 per mensem; even the Indian fireman received one rupee per day in the pre-war period. The Anglo-Indian guard started on Rs. 50 and received Rs. 60 after the first month's service and the Indian guard received Rs. 30. Thus even on the Indian scales of pay, calculated on the present day cost of living, *i.e.*, 47 per cent. above pre-war cost, the fireman and the guard, Indian or Anglo-Indian, should rightly receive an initial salary of Rs. 45 per mensem. But what is he given now? He is given Rs. 30 as guard or ticket collector and he is given Rs. 10 as an initial pay as a cleaner, the fore-runner to a fireman in the Loco. Department. But note this: while both demand a matriculation qualification the cleaner starts on Rs. 10 per mensem goes through increments of 12 to 15 and finally to Rs. 30 per mensem, whereas in the Traffic Department, a ticket collector starts without any training on Rs. 30 per month. In the pre-war period

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an Indian got Rs. 45 per month practically. Where then is the justice in the revised scales of pay, even on the Indian standard? Sir, there is no justice in it. It is a cruel and ruthless effort to bring down expenditure by reducing subordinates' salaries; moreover it is encouraging discontent and further is inviting dishonesty among the ranks of its subordinates. In this connection one must recognise the fact that, Railways which were company managed, working for the profit of their shareholders, recognised the necessity of giving higher salaries to their Anglo-Indian subordinates. Notwithstanding the payment of these higher salaries they worked at a profit and paid good dividends to shareholders. In the case of my community, here again, although there still remains the increase in the pre-war cost of living, Government appear to have had no regard whatever for this consideration. The initial salary offered today is actually half of what he received in pre-war days instead of being 47 per cent. more, according to the officially accepted increased cost in the standard of living.

Now, let me deal with the Telegraph Department. Here almost a similar condition obtains. In pre-war days the telegraphist's pay was Rs. 50—Rs. 200. In the post-war period, that is after 1920, this was increased to Rs. 80—250. Here also in the effort of Government to increase the salaries of the lower paid staff of the Posts and Telegraphs Department, such as linemen, postmen, etc., which have been increased from 100 to 200 per cent. in many cases, the Government seems to have picked the telegraphists in which department the Anglo-Indian predominated, as their sacrifice of economy. The reductions in the initial and maximum salaries of the telegraphists' grade have been 47 per cent. and 52 per cent. respectively. Even the prospects in the Telegraph Department have been considerably reduced by the reduction of the number of higher appointments, such as first division and second division appointments from 14 to 3 and from 35 to 24, respectively—appointments which were previously open to the promoted telegraphists. Correspondingly, I presume there has been an increase in the prospects of the postal subordinates. For years Honourable Members in charge of this Department have rightly devoted their attention to improving the standard of living of their inferior servants. Postmen and others have got their pay increased, almost double of what it was in pre-war times. It was, I think, Sir Bhupendra Nath Mitra, when he held the office, which is held today with such distinction by my Honourable friend, Sir Frank Noyce, who so increased the pay of these inferior postal servants that today they have a salary on which they can live, although even they are grumbling. This naturally caused increased expenditure on about 100,000 lower staff and the Department finds itself faced today with top-heavy administrative charges regarding salaries. I can understand any Government Department wanting to or being compelled to cut its coat according to its cloth, but why not cut the coat so that it will fit all their staffs? Why give a coat which is a misfit to important employees of the Department. That is what is being given to the Anglo-Indian employees in the Telegraph Department to wear today. Sir, it is a significant and an undeniable fact that all attempts at economy in these two Departments—the Railways and Telegraphs—appear to have been directed mainly towards reducing the salaries and prospects of promotion of such sections of the Departments in which Anglo-Indians have been predominantly employed in the past, the reduction in most cases being as much as fifty and sixty per cent. The process of this reduction, if I may say so, has been an insidious one, but it has been contrary to all

the pledges and promises given on the floor of this House, especially the one given in September 1928 which originated in the Memorandum from the Secretary of State for India, in reply to a deputation that I led before him in 1926 in which he pledged that any such economic changes in the Telegraph Department must be gradual. Sir, does Government seriously consider a change that entails a 50 to 60 per cent. in loss of salary to be a gradual change in the economic life of the Anglo-Indian community? I pause for a reply from the Honourable Member in charge of this Department.

12 NOON.

The Government of India have realised and have given expression to the fact that the Anglo-Indian community has been dependent on the opportunities afforded to it in the Railways and Telegraphs, and steps must be taken to prevent a violent dislocation of the economic structure of the community. That is what the Government of India have frequently avowed. How has this pledge been respected? I contend that the economic structure of the community can be and will be utterly dislocated and ruined in both the Railway and Telegraph Departments, notwithstanding the reservations of appointments contemplated by the Government of India Resolution of the 4th July, 1934, by forcing the community to live much below its standard of living. With all respect to my Honourable friend, the Commerce Member, a member of the Governor-General's Council, I feel I must express my sense of keen disappointment, indeed despair of the future of my community, after hearing what he said the other day. This is what he said:

> "I am not willing to accept the proposition that the pay of members of any particular community should be regulated by reference to what they choose to regard as their standard of living."

Sir, the standard of living of any particular class or community is a matter of social economics. If an Indian Railway porter can live on a salary of Rs. 18 or Rs. 20 per mensem, (I have no doubt by eating the broken rice that my friend, Dr. deSouza, mentioned in his speech yesterday), why does Government fix the initial salary of a subordinate at Rs. 30? It is an admitted fact that a Railway porter can live on Rs. 18 a month, and an educated Indian youth, seeking service as a subordinate, cannot live on less than Rs. 30. If my Honourable friend, the Commerce Member, can accept that proposition I do not see any reason why he is unable to recognise the difference in the cost of living as between the Anglo-Indian and the Indian. The different rates provided by Provincial Governments for Anglo-Indians and Indians in the jails and other purposes is a recognition of this difference in their respective standards of living. Sir, I can quote many instances in which Government are practising this difference based on different standards of living. Let me take Railway schools as also hospitals. The Anglo-Indian child and patient are charged more than the Indian. Then let me take medical attendance; he has to pay more than the Indian. Indeed take any hospital in this country, municipal or district board, civil or military. There are different standards of diet for Anglo-Indians and Indians, and why? Because their customs are different and their food is different, *i.e.*, the Anglo-Indian food is more costly. Even the Vagrancy Act recognises this difference. In jails, even the debtor's jail, this difference in the standards of living is a practised and recognised fact. If these things are accepted by Government it ill-becomes a Member of Government to say that he cannot accept the standard of living as a *raison d'etre* for a difference in salaries.

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It is not a question of my community choosing to regard any particular standard of living as its own. The standard of living of the Anglo-Indian community is not a standard of its own choice, but one according to which they have been brought up from their inception in this country, and, if I may say so, as a result very largely of the policy of the Indian Government in the past, which the community has served most loyally and faithfully. Having regard to the fact that the responsibility of Government in this connection has been duly and frequently acknowledged, not only by spokesman of Government in the past, but also by the British Parliament (the supreme body ultimately responsible for the Government of India), I emphatically aver that the Governor General in Council must see that the community, one of the minorities in India, whose protection is one of his special responsibilities, is not compelled to submerge its identity through being forced by a sudden change in the policy of Government, to live down to a standard of living to which it has not been hitherto accustomed; and this within three years and without any warning. In 1931 new entrants were engaged temporarily; they were not told what their new scales of pay would be. In 1934, three years afterwards they were told that the reduction in scales of pay would be from 50 to 60 per cent., and they have had to take it or leave it.

It may be mine is but a voice crying in the wilderness, but, Sir, I would be failing in my duty to my community if I did not place before the Honourable Member the distressing position in which the community finds itself today. And in this connection, I would point out that it is because the British Parliament was not satisfied that the reservations of appointments made in the Government of India Resolution of July, 1934, for the Anglo-Indian community were, in themselves, sufficient for the fulfilment of their responsibility to the community, that the amendments to the original clause of the Government of India Bill, as now embodied in section 242, sub-sections (2) and (3), were passed by that body, making specific reference to the "remuneration attached to such posts". Sir, any one who is familiar with the Government of India Act of 1935, section 242, sub-sections (2) and (3) especially when read in conjunction with the preceding section 241, will be convinced of what I say. This is what the section says:

"shall have due regard to the past association of the community.....with these services.....and the remuneration attaching to such posts."

It cannot be said that the present revised scales of pay of the posts to which section 242 (2) and (3) applies, particularly in the Railways and Telegraph Departments, have been fixed with "due regard" to the past remuneration of these posts. The authoritative explanation given by Lord Eustace Percy, speaking in the House of Commons on behalf of the British Government on the 30th July, 1935, of the words "due regard" is very significant. This is what he said *inter alia*:

"But surely the effect of these words is precisely as I have stated. You would never be able to bring any case in the court to prove that the railway authority have not had 'due regard'. It is not provable in any court of law, but on the other hand it is a statutory duty on the Railway authority to have such regard. It is a duty on the Governor General to give directions to that railway authority to have such regard, and to say that all that has no statutory effect and that it is purely a facade would be absurd. It is a valuable statement of the standard by which the railway authorities must act."

Sir, although the words "due regard" may be given a very elastic interpretation, there is an absolute statutory obligation in its observation by Government. It is practically a mandate to the Railway authorities that they "shall" and they "must" have due regard to our remuneration. You may say what you like, but the question of having "due regard" does not mean that you can throw away that regard, rather it means you must observe that regard. With this explanation before me, I cannot conceive that a reduction of 50 or 60 per cent. in the scales of pay in the Railway and Telegraph Departments can be said to have been fixed with "due" or indeed "any regard" to the past salaries. I am prepared to admit that "due regard" does not necessarily mean the continuation of the past position identically in every detail. But I do submit that the words "shall have due regard" implies an obligation, and indeed a mandate. On the other hand, to pay no regard to this question of remuneration, I beg to submit, with all respect to Government and the Honourable Member, who I know is out to do justice to everybody, is a distinct denial and violation of the sanctity of the various provisions for safeguards contained in the different sections of the Government of India Act.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): I am still waiting for the Honourable Member's interpretation of this clause to which I may have to reply. The Honourable Member goes on repeating that we should have or the Federal Railway authority should have due regard to certain matters. But I am waiting for his interpretation of those matters. Does the Honourable Member mean that this clause lays an obligation on the future Federal authority to give differential rates of pay to certain classes of employees for the same kind of work and the same kind of employment, as distinguished from other classes of employees?

Lieut.-Colonel Sir Henry Gidney: The Honourable Member has confined his criticism and his demand from me for an explanation of "due regard" to this particular item of remuneration. Let the Government benches take their minds back a few years and try and see whether they gave due regard or not when they granted the Lee Commission concession to British officers. Let them try and answer that. The words "due regard" are employed here in the Act. I will read the Act for the information of. . . . . .

The Honourable Sir Muhammad Zafrullah Khan: I have got the Act.

Lieut.-Colonel Sir Henry Gidney: This Act was discussed in the House of Commons and the House of Lords. Honourable Members who have not read the debates apparently do not know what actually happened.

Mr. B. Das: We know, we read it.

Lieut.-Colonel Sir Henry Gidney: I know your knowledge, Mr. Das, but every one has not your knowledge. Possibly knowledge is a mirror reflecting the intelligence of Orissa (Laughter).

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will excuse a second interruption, all that I was on was this. If he so chooses—I am not forcing him to do so—if he will put forward his

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plain interpretation of what he conceives to be the effect of this sub-section, it might be possible to take up one of two positions; it might be possible to say "Yes, Government accept this interpretation of the section and it will be so applied when it comes into force"; or it might be possible to differ from him and say "This is not the meaning of the section". So long as the Honourable Member continues merely to generalise, it is not possible to discover what exactly he is aiming at and what in plain language he wants Government to do to carry out the responsibility laid on them by this sub-section.

Lieut.-Colonel Sir Henry Gidney: If the Honourable Member will wait for a little while I will tell him. The Honourable Member, with his vast experience and knowledge of legal matters, takes rather an unfair advantage of an amateur like myself. He can pin me down to the legal interpretation of the words "due regard", but. . . . .

The Honourable Sir Muhammad Zafrullah Khan: I do not say "legal". I say the plain ordinary man's interpretation, so that there may be no quibble left.

Lieut.-Colonel Sir Henry Gidney: Let me give this House a summary of the debates in Parliament on the value of the words in this clause. When this matter was discussed in the House of Commons, it led to a very interesting discussion between some of the most important members of the House. It was Lord Zetland who accepted the amendment of Lord Lloyd in the House of Lords, because every part of the House supported it. Lord Lloyd's amendment was one which Sir Samuel Hoare had previously refused to accept in the House of Commons and which Government defeated by about 229 to 52 votes. Later in the House of Lords, Lord Zetland in accepting Lord Lloyd's amendment as it appears in clause 242 of the Government of India Act, 1935, said that these words were purely of declaratory value and meant nothing. This interpretation of due regard and declaratory value was challenged in the House of Commons by all parties. Viscount Wolmer challenged it, Sir Reginald Craddock challenged it, Sir Austen Chamberlain challenged it.

Mr. B. Das: All diehards.

Lieut.-Colonel Sir Henry Gidney: Mr. Das, you do show such colossal ignorance. I am talking of Sir Austen Chamberlain.

Mr. B. Das: He is also a diehard.

Mr. President (The Honourable Sir Abdur Rahim): Let the Honourable Member go on.

Lieut.-Colonel Sir Henry Gidney: Not only Sir Austen Chamberlain, but such stout champions of the Government of India Bill as Mr. Kirkpatrick, Mr. C. Williams, Mr. Molson and others demanded from Government an explanation of the words "declaratory value", as they were not satisfied with the explanation given either by Lord Zetland in the House of Lords or by Mr. Butler in the House of Commons. Repeated demands were made for a legal opinion from the Attorney-General, but as he had left the House, it was Lord Eustace Percy, who, speaking on behalf of the Government, said the amendment '] statutory power. Let me quote

what Sir Austen Chamberlain said on the statutory value of the amendment; after Lord Eustace Percy had spoken:

> "The Honourable Gentleman who has spoken will be grateful to the Noble Lord (Lord Eustace Percy) for the explanation he has just given. For my part I accept it as a satisfactory explanation. I think that the words introduced in another place are an effective guarantee for the fair treatment of the class of community whose case is under discussion. It is not the words themselves but I think the Secretary of State in another place (House of Lords) used some rather loose language in describing what they were and what they were not. What I have hitherto understood by a declaratory law was that when doubts had arisen as to what the law was, it was positively declared to be so and so; that, in fact, the Legislature professes to restate clearly the existing law and not to introduce an entirely new law. That is a very different thing from saying, in connection with such an amendment as this, that it is purely declaratory and that it does not bind anybody to do anything. I think those words were unfortunate and gave rise to misgivings which have found expression today. After hearing my Noble friend I am satisfied that the words themselves are right and will do what we want done."

Now, how did the House of Commons interpret these amendments? They interpreted these amendments to this Act as binding on the Federal Government of India, not declaratory as the Government of India think they are. I have given only one quotation from this debate, I can quote from five or six, equally important statements, confirmatory to the view expressed by Sir Austen Chamberlain, and if I may say so, equally decisive in their interpretation. With these facts before them, Sir, what have the Government of India done? The Government of India have given no regard to the words "due regard" but have utterly disregarded them. I ask this House, I ask every Member on the opposite benches to put his hand on his heart and say if the imposition of these pauper's scales of pay is an observation of due regard? I ask is any regard paid to a young Anglo-Indian lad whose education cost him from Rs. 40 to Rs. 50 a month to start on a salary of Rs. 10 per mensem to demand from him a Matric educational qualification, and also to demand from him compulsory service in the Auxiliary Force?

An Honourable Member: Drive them out.

Lieut.-Colonel Sir Henry Gidney: No, we cannot drive the Government out. I am not asking the Government of India to give me a privileged position. I want them definitely and finally to realise that the Anglo-Indian cannot live on this starvation pay and if it is insisted upon one of two things must happen. It will drive the community from the Railways and Telegraphs or it demands the community to so lower its standard of living as to live on rice and *chappattis*. If that is Government's desire do let me have some time to develop this dietetic taste and change in food. Why rush me and so ruin my physique.

To my mind, "due regard" by law may mean one thing, but "due regard" as found in clause 242 (2) and (3) of the Act and as interpreted in the discussions in the House of Commons meant only one thing, *viz.*, that Government "must have due regard" and not "no regard"—that is what I charge the Government with. If I may go further I would call it utter disregard. Sir, I do not want to be spoonfed, but I appeal to the Honourable Members in charge, in all seriousness to give me enough money so that I may live according to my standard of living, and let the Government of India not forget that their bulwark, their dependence during all railway crises in the past have been their Anglo-Indian and European employees.

An Honourable Member: Question.

Lieut.-Colonel Sir Henry Gidney: I know many instances in which strikes have taken place and have failed because of the loyalty of Anglo-Indians and for this unfailing loyalty we have incurred the hostility and displeasure of my friends on the Opposite Benches. Is this to be our reward from the Government of India?

Sardar Sant Singh (West Punjab: Sikh): You have got the price for it.

Lieut.-Colonel Sir Henry Gidney: Will you keep quiet and confine yourself to your communalism in the Punjab?

Honourable Members: Order, order. Address the Chair.

Lieut.-Colonel Sir Henry Gidney: I ask the Honourable Member in charge of Railways: is this playing the game?

The Honourable Sir Muhammad Zafrullah Khan: As the Honourable Member goes on putting questions to me, I am bound to observe, with reference to his last observation, that the biggest and the most critical strike on the North Western Railway was led by Mr. Miller, and I hope the Honourable Member will tell the House whether he was an Anglo Indian or not.

Lieut.-Colonel Sir Henry Gidney: I am very grateful to the Honourable Member for giving expression to his knowledge of the North Western Railway strike. Let me tell him that the actual fact is exactly the opposite of what he has told the House. Mr. Miller was a European and an *ex*-soldier from the British Army, he was not an Anglo-Indian. He was treated very unjustly by the North-Western Railway, and he got support from the North Western Railway (Indian) Union of which he become a member. That is my reply to the Honourable Member's statement. I challenge him to deny that. I do not think it is right for the Honourable Member to say what he did; he does not know the history of the railways in the past; he does not know. . . . .

The Honourable Sir Muhammad Zafrullah Khan: I have not denied it; but I do think this kind of argument does not lead the question any further. After all, the main question, as I have repeatedly tried to put it, in case the Honourable Member expects a reply from me, is as to his interpretation of this sub-section. He will not come to that. I know the meaning of 'due regard' as well as he does. There is no dispute with regard to that: but the question is as to his interpretation of the rest of the clause. What is his interpretation of it and what does he think the Government of India ought to do in order to discharge their responsibility under this sub-section?

Lieut.-Colonel Sir Henry Gidney: I am very glad that I have had an opportunity of telling this House the truth about the North Western Railway strike.

The Honourable Sir Muhammad Zafrullah Khan: I am prepared to accept that Mr. Miller might have been a European; but it does not make the Honourable Member's case any better than if he was an Anglo-Indian.

Lieut.-Colonel Sir Henry Gidney: Then why did you refer to him? The Honourable Member tried to make my case worse. I am sorry that the Honourable Member should have referred to it; I did not expect he would do so. Anyhow what will happen if the Government of India refuse to consider what I have asked? I have repeated just now, two things will happen. It asks the Anglo-Indian and the domiciled European to so adapt his standard of living as to come down to the level of the depressed classes.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): May I interrupt the Honourable Member for a minute? Why cannot the Honourable Member answer this question? What is it that he wants the Government to do in order to give effect to these words "shall have due regard"?

Lieut.-Colonel Sir Henry Gidney: I am coming to that. The other effect it will have will be to drive the Anglo-Indian community out of Railways and Telegraphs. If that is the ultimate result, this protection in the Government of India Act is of mockery value to the community. The Honourable Member has asked me a question. I repeat I am not a legal man; but to my mind "due regard" associated with the words "must" and "shall" has a mandate behind it and a statutory effect and you cannot deny this. If that is not so, then every other clause in this Act is useless. You may say I am not right from a legal point of view. . . .

The Honourable Sir Muhammad Zafrullah Khan: No, I have not said that: do not misinterpret me.

Lieut.-Colonel Sir Henry Gidney: Due regard must be had to the past associations, and if what I have said is correct, I am now going to ask the Honourable Member if he will consider this: all that I am asking is to give the Anglo-Indian and the domiciled European an allowance for the admitted extra cost of his food. I ask that one of two things should be done. . . .

An Honourable Member: Nothing for drink?

Lieut.-Colonel Sir Henry Gidney: Please let me go on. One is to raise the initial salary of all subordinates to a living wage, say Rs. 50 a month, which is even less than the pre-war rate; this will give all a living wage. As regards the Indians neither Mr. Giri nor Mr. Joshi will deny that statements were placed before the Labour Commission showing that the Indian subordinate's minimum cost of living was put at about Rs. 60 a month. The Anglo-Indian community put up a slightly higher figure, based on the following meagre fare: a cup of tea and two slices of bread in the morning—4 annas; a plate of curry and rice at breakfast—8 annas; tea and bread again in the evening—4 annas, and at night another plate of curry and rice—8 annas. This comes to a total of Rs. 1-8-0 a day or Rs. 45 a month. Then he has to clothe himself, pay his Provident Fund, medical attendance, educate his children, etc., etc. Moreover he has to

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join the European Institute; he has to be a member of the Auxiliary Force; these are the things that are demanded of him, and yet the Honourable the Commerce Member expects that man to live on Rs. 10, 12, 15 or even Rs. 30 per mensem. I say increase his initial salary to at least Rs. 45 per mensem. My friends, Mr. Giri and Mr. Joshi, will support me. (Laughter.) They will. Let them deny this in this House. You laugh, but you know nothing about it at all. Let the Congress member in the white suit who interrupted me try his hand in his white suit at stoking an engine. He would soon change not only his tune but his white suit. I ask the Honourable the Commerce Member to increase the initial pay to Rs. 45 and so make it at least an existence if not a living wage; or if he is not able to do that, I ask him to give an adequate food allowance to Anglo-Indians and Domiciled Europeans until their pay reaches Rs. 150 or Rs. 200 per mensem and then stop it. He will then be able to live. It is not an unreasonable allowance that I am asking because he like the Indian employee has the right to live; for it my standard of living and I must preserve it. I cannot suddenly change it. It is a pledge the Government of India gave to the community and I ask the Government of India to honour it. . . .

An Honourable Member: They are not going to do it.

Lieut.-Colonel Sir Henry Gidney: Then, I ask my Honourable friends on the opposite side to do it, for the community is their joint responsibility and they and Government are our joint trustees. My demand is small; it will not cost the Government much money. With these remarks, Sir, I bring my appeal to the Government benches to a close. I am sorry that my Honourable friend the Commerce Member is not satisfied with the legal interpretation of "due regard". . . . .

The Honourable Sir Muhammad Zafrullah Khan: I have not said anything yet.

Lieut.-Colonel Sir Henry Gidney: You have already expressed yourself in such terms—I repeatedly told you the words "due regard" have a mandatory effect, for they ask the Government of India to have due regard to our past associations on Railways. All I ask the Government of India is to take my appeal into careful consideration and do the best they can for a community which has done its best for the Government in India at all times.

Mr. N. M. Joshi (Nominated: Non-Official): Mr. President, although I am following my Honourable friend, Sir Henry Gidney, I do not propose this morning to deal with the question of the scales of pay. I shall deal with the proper question of the Indian Finance Bill and the proposals of the Government of India for the next year's budget. While doing so, I shall incidentally deal with one or two questions which I wanted to raise during the discussion on the cut motions last week. So far as the budget is concerned, I feel that the policy underlying this budget is the same as the policy which underlay its predecessors. The Government of India, in framing their budgets, generally take from those who are least

able to pay in proportion to their ability to pay and give more to those who deserve the least. Finance Members have come and gone. This policy has remained. Under these circumstances, one does not feel much encouragement to speak during these discussions. However, I propose this morning to express my views on these budget proposals.

At the outset, I would like to say a word about the statements which the Honourable the Finance Member has made regarding the recovery of India from the trade depression. Several speakers have pointed out that, judging from various indications, there is no justification for the Honourable the Finance Member to make the statement that India is on the way to economic recovery. I shall not deal with the arguments which my Honourable colleagues have put forward so far. But, Sir, I shall deal with one or two others. In the first place, when Government impose a new taxation, it takes time for that taxation to produce its fullest yield. The taxation was increased in the year 1931, and if the yield of this taxation has been increasing steadily, it is not due to the fact that the economic condition of the country is improving. Then, Sir, during the last few years, the prices of articles have gone down, and naturally, the consumption of the necessaries of life must increase to some extent. Moreover, they too do not increase suddenly but they go on increasing gradually. Sir, if the Honourable the Finance Member wants to have a real knowledge of the present economic condition of the people of this country, he should study the level of wages and the level of employment in this country. So far as my knowledge goes, wages in India are still going down. I know a little more intimately about the Bombay city, and I can tell you, Sir, that during the last two years, and even during the last year, the wages have gone down. There is no place in this country so far as I know where the wages are not going down even now. . . .

An Honourable Member: Which wages?

Mr. N. M. Joshi: Wages of industrial workers, nay, even the wages of agricultural workers are still going down.

Then, as regards the state of employment in this country, if you take the country as a whole, including the agricultural and industrial workers, I feel that unemployment in this country is still increasing. As a proof that unemployment is increasing, I may mention that from Madras a large number of workers go to Malaya and Ceylon. Those who go with the assistance of employers go under certain regulations. The Government of India is finding it difficult now to enforce these regulations, because a large number of workers are going to Malaya and Ceylon without assistance. This fact shows that unemployment in this country is steadily increasing. It is true that under the present conditions, when we do not get proper statistics regarding unemployment figures, regarding wages, the Finance Member may make any statement regarding the economic condition of this country, and I may make any statement too. But, Sir, if we do not have proper statistics in this country, may I ask who is responsible for the lack of those statistics? For several years past, the Government of India have been considering the question of setting up an organization for the collection of statistics.

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In the year 1925, a Committee was appointed under the Chairmanship of Sir M. Vishweshwaraya. That Committee recommended the setting up of an organisation for the collection of statistics. Sir Arthur Salter came here and made a report suggesting the establishment of an Economic Council which was expected to undertake the collection of statistics. Only two years ago, two specialists were brought from England. We spent about a lakh of rupees over them, and they made a Report. May I ask, Sir, what has become of these Reports? The Whitley Commission also felt in doing their work great difficulty for lack of statistics. They recommended to the Government of India to undertake legislation for the collection of statistics. May I ask, Sir, what have the Government of India done as regards the collection of statistics? I feel sometimes that the Government of India are unwilling to set up an organisation for the collection of statistics, because, they are afraid that light may be thrown on dark corners, and they are afraid of that light.

Mr. President, besides the statement regarding recovery which the Honourable the Finance Member made, which is not justified by facts, he has also made some other vague and unproved statements regarding the effects of the British connection and the economic condition of the country and regarding the burden of protection on the people of this country. I am not suggesting, Sir, that his statements regarding the burden of protection are entirely untrue, but at the same time I feel that for want of statistics and information, it is difficult to accept the figures given by the Finance Member. I would, therefore, recommend to the Finance Member and to the Government of India to undertake the work of collection of statistics without delay.

I should, now, like to turn to the budget proper. The chief feature of the present budget is the surplus for the last two years and the use which is proposed to be made of that surplus. Sir, the Finance Member last year set apart a crore of rupees for rural development, and he proposes to do the same this year. May I assure the House that I have absolutely no objection for money being spent for rural development; on the other hand, I would like that more money should be spent for rural uplift. But, I feel, Mr. President, that under the present constitution, when the responsibility for rural development and rural uplift is solely placed upon Provincial Governments, it is wrong for the Government of India to distribute doles to the Provincial Governments and thus weaken their sense of responsibility. I know there are many Honourable Members here who are pressing the Finance Member to give more money for rural uplift believing that they are doing good to the rural population by their proposals, but I feel, Sir, that by weakening the sense of responsibility of the Provincial Governments, more harm will be done to the rural population than by these small doles which the Finance Member may make for the benefit of the rural population. If the Government of India wants to undertake proper responsibility for rural uplift and rural development, let them do so, but it is wrong for them to go on giving doles to the Provincial Governments and encourage them to expect doles in future years. May I ask, Sir, whether the Finance Member can say that on account of these doles which he is giving, the Provincial Governments have not been prevented from spending the money which they themselves would have

spent? I have read the Reports regarding the welfare activities which have been undertaken out of the funds given by the Finance Member for village uplift. I am not sure on reading these reports that the schemes which have been undertaken by Local Governments would not have been undertaken by them when there is money, if the Honourable the Finance Member had not made these doles. I feel that if the Honourable the Finance Member had surpluses these surpluses should have been spent on what are known as Central responsibilities. The Government of India are responsible for various activities which, in some cases, can be extended to villages. The Government of India is responsible for the postal and telegraph department. The villagers are crying out for post offices and telegraph offices. Why could not the Government of India spend their money for starting new post offices in villages? I know Rs. 2 lakhs are provided in the postal department budget for the starting of new post offices, but two lakhs of rupees are not enough for spreading a network of post offices and telegraph offices throughout the villages of India. I would have liked the Government of India to spend, out of their surplus, ten lakhs of rupees a year for five years, so that those post offices which could be started today could become self-supporting after five years. But, Sir, the Government of India neglect their own responsibilities. There are several other ways in which the Government of India could have spent the surplus in meeting their Central responsibilities.

My Honourable friend, Dr. Rajan, mentioned yesterday, the question of establishing some organisation for investigation into nutrition. The Royal Commission on Indian Labour had made a suggestion that a Nutritional Institute should be established in India. If you study the report, which the Government of India have made on the action taken by them on the recommendations of the Royal Commission on Indian Labour, you will find that they could not give effect to the recommendation for want of money. The establishment of a nutrition institute is a responsibility of the Government of India, and may I ask why the Government of India should not spend money in meeting its own responsibilities?

Then, the Royal Commission on Indian Labour had suggested that welfare work should be undertaken in all the major ports for the benefit of Indian seamen. If you again study this report on the action taken on the recommendations of the Royal Commission, you will find that the Government of India state in that report that action could not be taken under the present circumstances. I feel that the Government of India should not neglect their own responsibilities. Moreover, besides establishing post offices in rural areas, all sections of people want the price of the postcard to be reduced. If the Government of India had a fund of Rs. 2 crores in their hands, they could have certainly utilised that fund in reducing the price of postcards. If you reduce the price of the postcard, there may be a loss for the first two or three years, and that loss could be met out of the fund to be created out of the surplus which the Government of India have obtained.

The Royal Commission on Indian Labour had also suggested the establishment of an industrial council. When the Commission examined the methods by which the Government of India investigated labour questions and brought forward legislation, the Commission came to the conclusion that the method adopted by the Government of India was a dilatory one.

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The Commission, therefore, recommended the establishment of an industrial council. The Commission also felt that not only delay in the passing of legislation would be avoided if an industrial council was established, but, also, that the method of co-operation and conference which would be possible when the industrial council was established, would be of great value for the establishment of industrial peace. The other day, the Honourable Member in charge of the Department of Industries and Labour said that he wanted industrial peace. May I ask him what he has done for the sake of industrial peace in the matter of the establishment of an industrial council? Mr. President, if the Government of India are going to have a surplus, there are various ways in which they can utilise that surplus. In the first place, besides the suggestions which I have made, I would like the Government of India to spend money on various other activities if they expect a surplus in the next year's budget. I am not one of those who believe that, whenever there is a surplus in the Government of India budget, they should immediately undertake reduction of taxation. I feel what India wants today, what the people of India need today, is not so much a reduction of taxation as wise expenditure for the development of the country and for improving the condition of the masses in this country. I would, therefore, suggest to the Government of India that, if they expect a surplus next year, they should undertake programmes for industrial development. The economic condition of this country cannot improve so long as this country depends mainly on agriculture for its maintenance. Industrialisation of the country is as much necessary as the improvement of agriculture, and in that connection, I support the plea which my Honourable friend, Sir H. P. Mody, made yesterday, namely, that the Government of India should do everything for encouraging the industrialisation of this country. I also support his suggestion that the conditions under which protection should be given to industries should be re-examined. The time has come now when we should re-examine whether the policy which we have followed so far does not need any change or improvement. When protection is suggested for an industry, it is generally understood that it is only the interests of the capitalists that should be protected. I feel that, when an industry is to be protected, the interests of all sections of the people that take part in that industry should be protected. If an industry is to be protected, I would suggest that the Government of India should take power to regulate both prices and wages and also other conditions for the welfare of the working classes. It is only by these methods that the interests of working classes will be protected

Mr. B. Das: Is it done anywhere?

Mr. N. M. Joshi: The Government of India, so far, have taken no steps to see wherever an industry is protected that the interests of the working classes are also protected. When an excise duty was imposed upon sugar, the Government of India gave powers to the Local Governments to fix the price of sugar-cane so that the man who owned sugar-cane could get at least a portion of the protection which was given to the industry. But the Government of India did not give powers to the Local Governments to see that the cultivator passed on a portion of the benefit which he got, to the workmen who worked on his fields. I would, therefore, suggest to the Government of India that those conditions under which protection is to be granted to industries should be re-examined, so that the benefit of that protection will be passed on to all the people who work in those industries. If the Government of India have got a surplus they should spend it not only for the development of the industries in this country but there is an urgent need for the Government of India spending that money for improving the lot of those people who work in those industries. For the last two or three years, I have been urging the Government of India to undertake some scheme for protecting the workers of this country during the periods of sickness. The Royal Commission on Indian Labour has stated in their report that more than anywhere else in India the workers suffer more on account of sickness and they have pointed out that steps must be taken for the protection of the workers not merely from the humanitarian point of view but steps are necessary for the protection of the workers even from an economic point of view. The indebtedness which we see in India amongst industrial workers is due more to unprotected sickness than to other causes. I have been suggesting to the Government of India that they should undertake a scheme for the establishment of health insurance. I am not particular about the nature of the scheme. What I am anxious about is that there should be security and the protection of the workers. Let it be a scheme for granting sick leave to the industrial workers or let it be a scheme for health insurance on the lines on which health insurance has been established in Great Britain but I would like the Government to lose no time in establishing a scheme for the benefit of the working classes of this country. I know the Government of India during the last two or three years have been making some inquiries but I suggest to them, now, that instead of spending time or wasting time in inquiries which may not be necessary, they should immediately appoint a committee which will consider thoroughly a scheme for the establishment of health insurance. Inquiries have been made on this subject. Figures have been collected by the Bombay Labour Office which has published a report on it. I would, therefore suggest that the Government of India should prepare a scheme for the establishment of health insurance and if necessary appoint a committee for that purpose, so that a proper scheme for the establishment of health insurance could be made and brought into effect without much delay.

I shall not make any more suggestions for the spending of the surpluses which the Honourable the Finance Member may get next year or in the years to come, but, again, I shall repeat that what India needs today is not so much relief from taxation, especially if that relief is to be given to income-tax payers. What India needs is expenditure for the development of industries and for improving the condition of the Indian masses. If the taxation is to be reduced I agree with the Honourable the Finance Member when he stated that in reducing taxation or in attempting to reduce taxation we must show some forethought. We must see what the commitments are during the next few years. When India is on the eve of the establishment of provincial autonomy involving the loss of some crores of revenue, I think it is wrong for the Government of India to think of reducing income-tax at this moment. I would go a step further than the Honourable the Finance Member and tell him that he should not only think of provincial autonomy but he should think of the establishment

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of Federation which might come after two or three years. The Honourable the Finance Member is thinking of reducing income-tax. May I ask him whether the reduction of income-tax may not create some difficulty when the Federation is established. In this Federation, which is likely to come in after a few years, the princes are joining without agreeing to share the burdens of income-tax. Under those circumstances, do you believe that the representatives of British India will ever agree for the increase of income-tax? If the Honourable the Finance Member gives some consideration to the conditions which are likely to arise when the Federation is established he should not have tried to reduce the income-tax. It is a wrong thing to reduce income-tax when he knows that the Federation is likely to come in after three years. If the Honourable Member is anxious to reduce taxation, I feel he has gone the wrong way in selecting the taxes to be reduced. The Honourable the Finance Member said that he proposed to reduce income-tax because there is a pledge given by his predecessor. Last year I told this Assembly that it is the privilege of the Legislature either to impose or reduce taxation. What right has his predecessor to give a pledge? I feel that that pledge was illegal and there is no binding on the present Finance Member to carry out that pledge. In any case, the Legislature is not bound by that pledge. It is the Government which is bound. I would, therefore, suggest to the Legislature that their privilege has been taken away or sought to be taken away by the Finance Member in giving a pledge and they should see that the pledge is not carried out. If the Honourable the Finance Member has to reduce taxation I will suggest to him that he should fix a scheme of priority for the reduction of taxation in such a way that those who are least able to pay any taxation to this Government shall get the first relief. In this country there are vast millions of people who, judging by their ability to pay, must not be taxed at all. There are people whose monthly income does not exceed even Rs. 5. May I ask whether a man who gets only Rs. 5 a month and who cannot maintain himself and his family should be taxed at all. I feel that a very large section of the population of this country must not be taxed at all, considering their ability to pay. I would, therefore, suggest to the Honourable the Finance Member that if he wants to reduce taxation, he should first reduce taxes on the necessaries of life, such as salt, kerosene, matches and in that case relief will go at least to that section of the population which deserves relief but I feel that it is wrong at this moment to reduce the income-tax. It has been suggested that if the income-tax is not reduced, the industrial development may be stopped or may be retarded. May I ask, Sir, what is the guarantee that, if income-tax is reduced, the sum saved by that reduced taxation will be spent for industrial development and not for any other purposes? If, Sir, money is required for industrial development, I would suggest to the Honourable the Finance Member that he should keep the present rate of income-tax, collect two crores of rupees and spend it for the industrial development of India—a suggestion which I made to him a little while ago . . . .

The Honourable Sir Frank Noyce (Member for Industries and Labour): May I ask, Sir, in what way the Honourable Member proposes that that should be spent for the industrial development of India? One would like some idea of his programme.

1 P.M.

Mr. N. M. Joshi: Well, if the industrial development of India requires money, the Government of India should advance money to the industrialists who do not find money . . . .

The Honourable Sir Frank Noyce: What about the Provincial State Aid to Industries Acts?

Mr. N. M. Joshi: Well, those Acts do not produce money.

The Honourable Sir James Grigg (Finance Member): They lose money.

Mr. N. M. Joshi: So far as my knowledge goes, the Provincial Governments spend probably a few hundred or a few thousand rupees. If the Government of India want to support the development of industries in this country, let them retain the present rate of income-tax, get some crores, and thus help the development of industries whenever money is required for the development of industries.

Mr. President, if the Government of India want to consider the claims of the various industries for help in their development, the Government of India should place this matter before the Advisory Committee of the Industrial Research Bureau that has been established, and may I also suggest to the Government of India that the membership of that committee should be extended. Last year, I made a suggestion to the Honourable Member in charge of the Department of Industries and Labour that some labour representative should be appointed on that body. They have not yet done so. May I suggest to him that if he wants some suggestions as to how money should be spent for industrial development, he should put on that committee a few labour representatives (Laughter). Sir, I do not wish to take up the time of this House much more but before I sit down, may I ask the Honourable the Finance Member and the whole Government of India that they should change their policy. It is wrong for them to take money from those people that are least able to pay it.

The Honourable Sir James Grigg: Protection!

Mr. N. M. Joshi: It is wrong for them to give money to those people who deserve the least. I suggest to them that they should pay greater attention to the needs and the conditions of the masses in this country. The masses of this country are, Sir, the backbone of this country and it is wrong to neglect their interests. Sir, if the Government of India will pay more attention to improving the condition of the Indian masses, and where possible, lightening their burden, then they will be doing their duty properly. If they do not, I feel they are doing a great harm to the interests of this country. (Loud Applause.)

Sir Leslie Hudson (Bombay: European): Sir, I do not intend to enter into any of the somewhat academic, though interesting, subjects that have been raised in the House during this general discussion of the Finance Bill.

[Sir Leslie Hudson.]

My Honourable friend, Pandit Govind Ballabh Pant, advocated Socialism through the State regulation of the commercial and industrial activities of the country, but he was careful not to call it Socialism though that is what we understand by the term "State control".

Then, my Honourable friend, Sir Homi Mody, in his usual, forceful and humorous manner, advocated a new Fiscal Commission, stronger protective measures, and an acceleration of the pace of industrialisation in India. All these are very wide questions and they require the most careful investigation but I did notice, with much pleasure, his suggestion for a more efficient tariff examination machinery, which suggestion, in fact, we ourselves made a couple of years ago, and in that matter he certainly has our very strong support. My main object in speaking on this Bill today is to renew the criticisms which were made on the Budget last week on behalf of the European Group by myself and my Honourable friend, Mr. James, on the ground of the failure of the Honourable the Finance Member to remove the surcharges imposed as an emergency measure in 1931, particularly, the surcharges on income-tax and super-tax. We had hoped to obtain from the Honourable the Finance Member a reply to our views, which, if it did not altogether satisfy us and our constituents, would at least contain the assurance that Government had given full consideration to our views; and, I must say, we were considerably disappointed with the reply which he gave to us at the end of the debate on last Thursday. Sir, the first part of his speech was devoted to what had been said by the spokesman of the Congress Party,—who did not support, but opposed the motion,—and the second part, mainly to the speech of the Honourable the Baronet from Bombay,—who had indeed supported the motion, but had supported it on grounds which differed considerably from those put forward by me, and for whose arguments I was in no way responsible. Only at the very end of his speech, when it was approaching 5 o'clock, did the Honourable the Finance Member address himself to the actual motion and then he contented himself with the briefest possible rejection of it, without, in fact, any serious attempt to reply to the grounds on which it had been brought forward. Sir, I would put it to the Honourable the Finance Member that our criticisms, even if the number of those who went into the Lobby in support of them may have been small, did represent the views of Chambers of Commerce and kindred Associations, both British and Indian, all over India, and that these Associations comprise an important element in the economic life of the country; and, if I may say so, whatever our shortcomings may be, the European Group have always endeavoured to maintain a reasonable standard of debate and not to waste the time of the House on unnecessary speeches and questions, and to put forward our views only after careful reflection. We were perfectly well aware, when we proposed this motion, that there was little chance of its being carried. The Income-tax payer in this country is not well organised and he is certainly not over-represented in this House. Our reasons may not have been sufficient to convince Government, but, if they were stated moderately, as I maintain they were, and if they contained an arguable thesis, as I submit they did, they were entitled to a more reasoned answer. In connection with my reference to the representative character of our views, I would refer the Honourable the Finance Member to the Resolution passed on this subject last December by the Associated Chambers of Commerce at their annual meeting, a copy of

which will be in the hands of the Government of India, and which shows very clearly the strong feeling held in the various constituent Chambers. The Representative of the Chamber which moved the Resolution said:

> "It is, I think, quite clear from the Report of the Federal Finance Committee and of the Joint Parliamentary Committee, that those to whom the framing of the Government of India Act, was entrusted intended that the method of raising revenue by means of a surcharge on existing taxation should be exerciseable only in times of serious financial stress and the wisdom of having such emergency taxation in reserve and not in operation at the time of the inauguration of the new Constitution is patent for all to see."

Representatives of other Chambers of Commerce supported this view, and, in particular, the Member from the Burma Chamber of Commerce pointed out that the arguments applied with even greater effect to Burma, which is faced with separation and will have to build up her own credit in the financial markets of the world. To do this some reserve powers of taxation will be essential, and these reserve powers she will not possess until the existing emergency surcharges are removed.

Now, Sir, I do not wish to repeat again at length the arguments I brought forward last week, and I will endeavour to be as brief as possible on the points on which we consider that we are entitled to a fuller answer than we have yet received. The Honourable the Finance Member said that by our own showing all the extra taxation imposed in 1931 was emergency taxation and that to remove it all would entail the sacrifice of the impossible sum of about ten crores of rupees. Nobody ever suggested that this could or should be done. On the other hand the Honourable the Finance Member himself appeared to admit that the surcharge on income-tax and super-tax is in a different category from the other increases of taxation imposed in that black year inasmuch as it is the subject of most explicit pledges, *pace* Mr. Joshi, I quoted the pledge of Sir George Schuster that the first things to be removed were the cut in pay of Government servants and the surcharges on income-tax and super-tax. Obviously, the explicitness of the pledge in this case places it in a different category from the undertaking implicit in the statement made at the time as to the emergent character of the general surcharges. Sir James Grigg alluded to currency difficulties and to war clouds in Europe and Asia as showing that an emergency still exists, but can it seriously be contended that the emergency today when the Budget shows an actual surplus of five crores last year and an estimated surplus of nearly 2½ crores this year, can, in any way, be compared with the emergency in 1931 when Sir George Schuster was confronted with a deficit of 13½ crores in the year which was just ending and an anticipated deficit of 18 crores in the following year.

I would like to mention one aspect of the question which I do not think has yet been referred to in this House. I have already stressed the effect of high taxation on trade and commerce, but there is also the burden on the middle and professional classes, Indian as well as European. In the ordinary Budget in March, 1931, the general rates of tax were largely increased, and six months later 25 per cent. was added to the increased rates. I regret having to trouble the House with figures, but I must ask them to listen to a few.

Up to March, 1931, incomes between Rs. 5,000 and Rs. 10,000 a year paid six pies in the rupee; in April, this was raised to nine pies, an increase of 50 per cent.; in October, the nine pies was raised to 11¼ pies, an increase on the previous year's rate of 87½ per cent.

[Sir Leslie Hudson.]

In March, 1931, incomes between Rs. 10,000 and Rs. 15,000 a year paid nine pies in the rupee; in April, this was raised to one anna and in October, to one anna three pies, an increase of 66 per cent.

In March, 1931, incomes between Rs. 15,000 and Rs. 20,000 a year paid ten pies in the rupee; in April, this was raised to one anna four pies and in October, to one anna eight pies, an increase of 100 per cent.

When my Honourable friend, Mr. James, alluded the other day to the burden of taxation upon the middle and professional classes, I do not think he was exaggerating their plight. Surely they have a claim to relief as soon as possible. Sir George Schuster, at any rate, had no doubts on this point. When he proposed the first increases in March, 1931, not the surcharges six months later, but the increase in the general rate, he said:

"I wish to make it clear that we regard these very specially as measure designed to meet the present emergency, but not necessarily permanently required" (*and, again, a few days later*), "I have great hopes that it will not be necessary to maintain income-tax at this level".

and he spoke of it as 'a temporary imposition'.

Sir, we recognise frankly the difficulties with which the Honourable the Finance Member is faced, but we do feel that though he has stated that the pledges given by his predecessor 'still stand', he has given no promise to carry them out at the earliest possible moment.

Last year, in his final speech on the subject, the Honourable Sir James Grigg said: "the European Group have been exhorting me in the House and in the Press to write up my revenue estimates, because they think there is more money there than I do". Well, Sir, the European Group were right to the tune of nearly 2½ crores. Whether they are right again, this year, remains to be seen, but experience in the last and previous year does entitle us to ask for an assurance that any unallocated surplus in the years 1935-36 and 1936-37 shall be utilised towards the final extinction of surcharges on income-tax and super-tax.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I intervene for a very few minutes to offer some observations on one or two of the matters raised by Sir Henry Gidney this morning in the course of his speech. I shall make no attempt to take up some of the general questions that he has raised, as they had more particular relevance to the discussion of the railway budget. But there is one question which he attempted to raise this morning which involves certain aspects of policy. With regard to that I will not try to lay down any policy but I do want to make one or two observations on some aspects of it. He said that generally the railways were not offering a living wage to some classes of employees, and that

as a consequence, members of his community, whose standard of living was higher than the standard of living of those classes of Indians who are employed in those cadres, were being practically shut out from the subordinate railway services. And he generally complained that in recent years there had not been much sympathy with his particular community in recruitment to the railway services.

Now, Sir, so far as the general position of the Anglo-Indian community in the railways is concerned, the position, as I am sure the House is well aware by this time, is, that a certain percentage has been reserved for members of that community in those cadres to which direct recruitment takes place. And, in fixing that percentage, which I am sure even Sir Henry Gidney would recognise as a generous percentage, directions have been given that due regard is to be paid to those cadres to which Anglo-Indians in the past have generally been recruited. And in this connection, in the supplementary and explanatory instructions issued by the Railway Board, it has been explained that:

"So far as the Railway Board are at present aware, Anglo-Indians are mainly employed in the Mechanical Engineering, Civil Engineering, Transportation Traffic and Commercial and Transportation Power Departments and the Mechanical Workshops of Railways. It is understood that the principal initial posts to which they are appointed in these departments are those of Firemen, Ticket Collectors, Guards and Apprentices in the various trades. Before Railway administrations can frame final orders regarding Anglo-Indians, it will be necessary to know if there are any other departments or categories in which a specific reservation should be made for Anglo-Indians, having regard to the conditions obtaining on each Railway."

Now, the accommodation that is being offered to this particular community, with regard to this matter, is that there is an over-all percentage reserved for them, that is to say, eight per cent. And, in making up that percentage, regard is being had to the cadres and the particular departments in which, in the past, members of this community have been accustomed to serve, because they have a certain preference for certain departments or callings, and not for others. I am told they are for some reasons reluctant to go in large numbers into the purely clerical departments and they prefer departments the names of which I have read out. And, I am sure, Sir Henry Gidney knows that in that direction their claims are being sympathetically considered; that is to say, that if a sufficient number of them are not forthcoming for the clerical posts their percentage is being made up in these particular departments in which they have been accustomed to serve previously. But, when he takes up the further question that, for the same or similar posts, members of his community should be given a different scale of pay from members of other communities, difficulties begin to arise. He started by saying,—and I was very glad to hear him say so,—that he did not claim anything different from the principle of equal service, equal pay. But I am afraid he wound up by saying that for equal service there should be different scales of pay for members of different communities. Well, now, I think he will find it rather difficult to justify his claim on the ground that because a certain class or community has been accustomed to a certain kind of food, they should be given pay on a different scale from people who have been accustomed to a different kind of food. I am afraid it will be difficult to justify a claim of that description. But then his difficulty remains. He says, "What am I to do? You have fixed scales of pay for entry into the lowest ranks of the subordinate services in which my people cannot possibly serve. You have stopped entry into the intermediate grades, and

[Sir Muhammad Zafrullah Khan.]

the practical effect is that whatever the reservation may be and however generous the percentage may be, the practical effect is that in future my people will not be able to find any entrance into those services at all." Well, to some extent that is the difficulty. So far I am bound to say that we have not found in practice that we have not been able to get a sufficient number of Anglo-Indians to come in on these scales of pay. But it is possible that to a certain extent in future that difficulty might be felt. I am willing to recognise it, but I am afraid section 242, sub-section (2) of the Government of India Act, 1935, does not indicate the kind of remedy that Sir Henry Gidney has in mind. Now, I might state at once that though the obligation laid down in that sub-section is an obligation upon the future federal railway authority and upon the Governor General, that obligation is being fully recognised in general terms even now. After all, it is a mere axiomatic statement that being part of a Statute it will be binding upon the Government; nobody can have, and nobody should have, any desire to evade the obligation which is laid upon the federal railway authority and upon the Governor General by that sub-section. That is a general statement to which nobody can take any objection. But when he comes to interpret that section in a particular way I am afraid, on behalf of Government, I could not accept that interpretation. And let me say this at once that there really is no occasion to interpret that sub-section at the present moment at all. Though, as I have said, Government are even at the present day recognising the difficulty,—and I have indicated how they are trying to meet it,—and they are working in the spirit of that sub-section already, it is not for them to construe that sub-section for the benefit of the future federal railway authority, and to say here and now what they shall do in order to give effect to the obligation which has been laid upon them. It will be for the then Government and the future federal railway authority when it is set up, to interpret it and to see what the correct interpretation of it is. But if I might venture to give my purely personal opinion on the matter,—and I have had a discussion over this matter with Sir Henry Gidney after he had made his speech this morning,—the interpretation that he seeks to place upon the section is not the interpretation of which the section is susceptible. The section says:

> "In framing rules for the regulation of recruitment to superior railway posts, the Federal Railway Authority shall consult the Federal Public Service Commission, and in recruitment to such posts",

—that is to say, superior railway posts,—

> "and in recruitment generally for railway purposes shall have due regard to",

—and, then, a certain number of matters are mentioned—

> "The past association of the Anglo-Indian community with Railway Services in India, and particularly to the specific class, character, and numerical percentages of the posts hitherto held by members of that community and the remuneration attaching to such posts . . . ."

That is to say, when making appointments and fixing percentages and so on, the Federal Railway Authority shall have regard to these matters, *i.e.*, what has been the percentage in which Anglo-Indians have been serving in certain cadres and in certain classes, and what is the pay of these posts. That is, in deciding and fixing these percentages, they might consider what is the pay of these posts, not that they can play about with the remuneration for such posts and say 'for them the pay shall be a certain amount and for others the pay shall be a different one'. That brings me to another matter which certainly does require looking into, and it is this: that in the past, Anglo-Indians and Domiciled Europeans were recruited to certain intermediate grades direct. There was also direct recruitment of other communities. Since then, the principle of no discrimination has been accepted, and I do not think that it is Sir Henry Gidney's prayer that Government should go back upon that principle. But, in addition to the acceptance of that principle, railways have for certain reasons recently adopted the principle generally with one or two slight exceptions—which are being investigated—that recruitment to the subordinate services shall be to the lowest grades. That is where the difficulty has arisen The door to direct recruitment in intermediate grades has been shut almost completely; so that certain people in all communities who could have started higher and who would not be willing to start at the bottom, now find only this alternative, that unless they are willing to start at the bottom, they do not come in at all. I cannot, on behalf of Government, announce any decision on the matter, I do recognise that some hardship is being caused as the result of the acceptance of that policy, and I am quite willing to examine the question from that point of view, subject to this important proviso, that whatever decision is arrived at, it will be a decision which must apply to all communities and not only to the Anglo-Indian community or to any other minority community, because a certain number of those particular communities must be recruited to those intermediate grades. That is to say, I must make it clear that if, upon a re-examination of the question, it is found that to certain intermediate posts direct recruitment may be made, then that direct recruitment will be made on exactly the same principles on which recruitment is made to the lowest grades. Take the instance of the Anglo-Indian community: they will be able to claim only the percentage reserved for them out of that direct recruitment, and I do not think Government would find it possible to give them a higher percentage into that direct recruitment or to specify certain posts to which Anglo-Indians only or any other class only could be recruited. That, I think, if it is found possible—and I am not at all saying that it might be found possible, all I say is that the question will be examined—might afford some little relief at that grade. I think—again without committing Government to it—that it is very probable that that is the meaning of the Federal Authority being asked to pay due regard to the remuneration of the posts to which recruitment is being made and for which percentages are being reserved. I am afraid I cannot accept the principle that any possible interpretation could lay the obligation on the Federal Railway Authority or upon the Government or upon the Governor General to lay down that for the same posts, whether at the initial stage or at subsequent stages, there should be different salaries fixed for different communities or classes. Now, that being so, I am sure that Sir Henry Gidney will recognise that there is no desire on the part of Government to evade any of the obligations which are set forth in sub-section (2), section 242, of the Government of India Act. As a matter of fact, Government, even now, are generally giving effect to the spirit of that sub-section. I have no doubt that the future Federal Railway Authority will give effect to the spirit of that sub-section. There was no dispute between the Honourable Member and myself with regard to the interpretation of the expression "shall have due regard to". It does not matter to me

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whether it is treated as mandatory or directory. The Federal Railway Authority must have due regard to those matters It will then be a question of interpretation as to what the subsequent phrases and clauses mean, and I have no doubt that once they have arrived at the correct interpretation, they will have due regard to it. I am afraid I caused a certain amount of irritation to the Honourable Member when I asked him to tell us in plain language as to what exactly he thought that Government should do in order to carry out the obligation imposed on them by the sub-section, and he went on trying to explain what the expression "due regard to" might mean. I was not asking for an interpretation of that expression at all. What I was asking for was what the Honourable Member conceived was the meaning of the whole sub-section, that is to say, what should be done. I think I have made the position clear that although the question is under examination even with regard to the initial scales of pay—as I said in answer to a question the other day—it would be extremely difficult to justify the position that any discrimination should be made, though it is possible to examine some aspects of the question, as I have indicated with regard to all communities which might afford some slight relief in the matter of intermediate recruitment.

Mr. Satya Narayan Sinha (Darbhanga *cum* Saran: Non-Muhammadan): Sir, let me thank you for allowing me, at last, to take part in the discussion of the Finance Bill. At the outset, I have to do a formal thing. You must be remembering, Sir, that last year, the Honourable the Finance Member, while replying to the debate over the Finance Bill, had conferred the title of "Sir Oracle" on our distinguished Leader, Mr. Bhulabhai Desai, and I think I shall be failing in my duty if I do not reciprocate this year. Sir, I, therefore, confer on him the title of "Archbishop of Billingsgate". I hope and trust that the whole House will agree with me that he richly deserves the title.

Coming to the real subject, let me tell you frankly that I feel very much the unreality of the discussion and the mockery of the debates in this House. What happens here every year? Even in respect of items that are votable, the votes of the House, passed by large majorities, have been set at naught by the Governor General in Council, at the request, of course, of the Finance Member who produces the budget every year after great labour and pain. (Laughter.) They call this procedure, in constitutional language, Restoration, Certification or Veto. But what do all these humbugs mean? They are civil garments, in the words of a statesman, for despotic acts based on brute force. They are a thin veneer of constitutional respectability for what is downright and indecent autocracy. Once Mr. C. S. Ranga Iyer, who, I am sorry, is a changed man now, said in this House that taxation without representation is robbery and taxation through certification is dacoity. Behind the restoration and certification, Sir, is the power of coercion, the power of the bayonet and the power of bombing innocent people or what else they depend upon: and that, after having emasculated the whole population of 350 million people of this country by the disgraceful method which is well-known to every student of history.

But, knowing all this as I do, you will ask me why I have stood up to speak a few words today. I give you the reason, Sir. Those who have not come to this House, I mean a very large number of our constituents do not realise fully the futility of our talks here, and let me assure you, Sir, that but for satisfying them I would not have broken through my silence, which is golden everywhere and much more so in this House. However, Sir, I shall not take much of the time of the House over this Bill on which one can talk everything under the sun. I shall confine myself only to two or three items.

First, I would like to say a few words in connection with the remark made by the cousin of Miss Mayo—I mean the author of "India in 1933-34", regarding the earthquake. My esteemed friend, Mr. Anugrah Narayan Singh, has categorically replied to all the charges, and so I have not much to say. But I would not let the remark of the Honourable the Home Member regarding the lack of our co-operation with the officials go unchallenged. Sir, I was in charge of one of the major districts of the earthquake affected area, on behalf of the Bihar Central Relief Committee, and I tell you, Sir, that according to the wish of our revered leader, Mahatma Gandhi, I offered my respectful co-operation throughout the relief operations in my district, which I hope the Honourable Member who represents the Bihar Government in this House will bear me out. He was in my district for about six months during the period. But I admit that our co-operation was more or less one-sided. It is for us to complain that the Government did not co-operate with us with the same zeal and earnestness with which we co-operated with them. But, look here, instead of *our* making any complaint of it, *they* have the temerity to make a grievance of our lack of co-operation. I know it is all due to the superiority complex which they are suffering from. But I realise why they could not appreciate our co-operation. Sir, I make bold to say that when occasion demands, in the interest of the public we offer sincere and genuine co-operation to the Government but they are accustomed and familiar with the co-operation of frenzied flunkeys who always dance to their tune whether they are right or wrong. We see samples of that co-operation more often in this House also. They like the co-operation, if it can be called co-operation at all, of those people who, even if they say during the day that it is night, will in a chorus proclaim that the moon is shining bright and splendid in the sky! Certainly, Sir, that kind of co-operation they cannot expect from this side.

In the said report, it is mentioned that one time the funds were causing embarrassment to us. I admit it, not because we did not know how to spend the money, but because the amount at our disposal was very small considering the programme we had in view of giving adequate relief to the millions of the sufferers. But, Sir, it is also true that no such embarrassment was on the other side. Why should they have? Because they never gave any thought as to how best to spend the fund. I would give only one illustration, out of many which I cannot quote here for want of time. Sir, you are perhaps not aware how several lakhs of the Viceroy's fund were spent over building the temporary colonies, in spite of the strongest opposition and protest from the public of all shades of opinion. In Muzaffarpur alone, they spent about seven lakhs over Damuchak colony, where 95 per cent. of the huts were not occupied even by dogs and jackals: and what happened? They had to demolish the whole thing after a year. This was more or less repeated in

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each of the earthquake affected districts. If any non-official organisation had committed such a mistake, God alone knows how much row they would have kicked up. I would, therefore, tell the Home Member not to see the mote in others' eyes and ignore the beam in their own.

As regards the water supply business, we have sunk about four thousand new wells and when the Government saw that it was a very popular programme, they also began copying us and with what result? I would ask the Home Member to come with me and I would show him that while all our wells are existing in good condition, the wells sunk by them disappeared before the next rains were over. Similarly they wasted, in spite of our protest, a large amount of the Mayor's Fund in setting up tube wells, which ceased working a fortnight after they were set up! You can still go and see them lying on the road sides in the districts useless. This is their boasted efficiency. I would advise the Home Member not to throw stones at others when they themselves live in glass houses.

The other insinuation against the Congress is that it rehabilitated its position. It is true, Sir; but the Government should not envy it. If you do honest service to the people, you are bound to raise yourself in their estimation and if the Congress is so powerful an organisation today, it is because of such selfless services which its leaders and workers have rendered to the masses. The Government also want to rehabilitate their own position but they fail. I would respectfully ask them to deserve before they desire.

Sir, the second charge of the Home Member was that the Committee turned down Mahatma Gandhi's and Babu Rajendra Prasad's proposals. But Babu Rajendra Prasad has, in his forceful and illuminating statement, given the lie direct to it. I think, the Home Member should have the decency now to own the mis-statement he had made. But I know he will not do that. I was not surprised when the Home Member took full and entire responsibility for facts and opinions contained in the propagandist document, because, Sir, the author and he belong to the same fraternity, and blood is thicker than water. Before I conclude this subject, I cannot resist the temptation of quoting a comment of a newspaper, on the Home Member's speech in defence of "India in 1933-34". The paper says:

"We had the singular spectacle of the Home Member of the Government of India getting up in his seat in the Assembly and perpetrating half truths which would put the more irresponsible tub-thumpers to shame. It seems to us that, in his anxiety to throw mud, the worthy Sir Henry Craik allowed the sense of dignity of his position to vanish through the window."

I now come to another subject, the surcharge levied on sugar. Last year, I remember, more than one Member urged upon the Government the necessity of spending a considerable amount out of the surcharge on sugar over the improvement and research of the sugarcane crop. Sir, the sugar industry is the second biggest industry of India. I think there are about 40 million people who are directly or indirectly interested in this industry. But, if the industry is to prosper, it must be able to obtain an abundant supply of superior qualities of cane. Both in quality and quantity, the yield per acre of the Indian crop is far inferior to the crops in other sugar producing countries. I was reading in a pamphlet that the

yield of cane per acre in Java is above 40 tons, but in India it is only 15 tons. When the excise duty was levied on sugar, the Government had promised to set aside one anna in the rupee from the amount realised as excise duty for research and improvement in cane cultivation. But that is quite inadequate. Even the Sugar Committee of the Imperial Council of Agricultural Research at their last meeting in Simla, in July, 1935, recommended the setting aside of at least two annas per rupee out of the proceeds of the excise duty. When especially there is a surplus budget this year, why should the Government grudge spending enough money for the improvement of the industry by establishing model farms, by propaganda, by demonstration, by making provision for irrigation and by educating the cultivator in better methods of production by supply of suitable fertilisers and so on and so forth?

The last but not the least subject which I am going to touch, Sir, is the management of the income-tax department in the province of Bihar. I hope the Honourable Member in charge of the department and Mr. Lloyd must be aware of the feelings of resentment in the province against the present Income-tax Commissioner. I would only put it mildly that there is something wrong in the state of Denmark. I do not want to discuss many unpleasant things against the gentleman in this House, but shall leave it to Mr. Lloyd to make private inquiries and satisfy himself as to how far the grievances of the people against the gentleman are justified. In the end, I would like to make a request to Mr. Lloyd to see that no fresh extension be given to the gentleman whose term of office, I am told, is going to terminate in July next.

Before I sit down, Sir, I would make an appeal to the Honourable Members who form the Government to give effect to the criticisms that are made by the Members of this House and not behave like the Pandit's wife in the well-known story, who had made a point in her life to go always against what her husband desired and ultimately drowned herself as the result of that obstinacy.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, when I read the budget speech of the Honourable the Finance Member, and I reached the sentence where he says:

"I am afraid that this statement might prove to be dull and this, I suppose, is inevitable seeing that the budget speech must proceed on a set plan: but if you find it dull, please remember that I shall find it much more so, if for no other reason than that it is so much more familiar to me than to you".

I was surprised. Knowing the mentality of the Finance Members generally, I thought the reason given by him was perhaps not only so simple; but the reason is somewhat deeper than what he expressed in the House. Sir, to me the budget speech did not only appear to be dull, but it appeared to be also insipid and dry and without any benefit to the country whose salt the Finance Member is eating today in this country. The speech is dull and insipid because no subject of any real interest to the country is discussed in the whole of the budget speech of the Finance Member. In former days we used to have discussions on questions like the export of gold, which is a very important question affecting India; we also used to discuss questions relating to ratio, which too is equally important to this country; in fact the entire tone of the budget speeches and discussions was very high formerly but today, what

3 P.M.

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do we find? The budget speech, as I have already said, can only be described as dull and insipid and in no way inspiring and instructive. There is also no continuity of policy in this budget. In 1934-35, the Finance Member laid his hands on salt, on matches and kerosene, and things which the poor people of this country consume in large quantities. Now, what does he do this year? He says nothing about any of these items, he allows all those duties to remain to the great deteriment of the country. Therefore, I say, there is nothing constructive in the budget, there is nothing that could be of real interest to the people of the country. This budget can well be called a political budget. It is like the new Constitution that is being thrust upon India, and no party in India is satisfied with that. In the same way, nobody in this House is satisfied with the budget proposals this year. He could have learnt a lesson from the decrease of our income from salt in 1934-35, but evidently he did not take that into account in preparing our budget this year from past experience. We are just on the side of loss, and nothing more. Sir, if we had learnt a lesson from the shortness of our income, then, I am sure, the orthodox policy of no protection now, of the Finance Member, would not have appealed to him, rather it would have proved to be to the great detriment of the country.

Again, Sir, you will find in this budget that there is an item of income from currency notes, and the reason for it is attributed to the losses on account of unclaimed currency notes. This loss of currency is due, either in my opinion, to the ignorance of the people or it may be due to the loss which people entail by losing currency notes. If small notes were not kept in circulation or some arrangement was in existence in market the loss would not have been so much. These are not matters of which the Government may feel proud, but I am bound to say that if the poor people of the country suffer because of their losses in these small notes or in currency, I submit it is not to the credit of the Government because it is really a loss to the poor people.

Sir, we find that there is some surplus this year. Last year also it was said there was some surplus, and out of that surplus Government was kind enough to give something for the relief of the cultivators. Out of the 281 lakhs, what did the Government give? Only 173½ lakhs were given to the provinces, and 107½ lakhs were kept by the Government, but the total came to 281 lakhs. Now, Sir, what did the Provincial Governments do with the sum which was given by the Finance Member and of which he was very proud? I find that the provinces have got some programme by which they might perhaps do some good to certain classes of people, but I have never found a single scheme in any province, which would be of real benefit to the poor people, to the poor ryots or peasants. You have also now granted money for broadcasting or for provincial autonomy from 107½ lakhs. I do not say that these things are not necessary, but I am bound to say that broadcasting is not going to give any real benefit to the poor cultivator of this country, though the Government thinks it would give them some benefit. It may be for the purpose of carrying on Government propaganda that you would like to introduce broadcasting into the villages, but the poor cultivator in the villages does not need this kind of help from the Government. Why does he want this costly luxury? He has enough of his own village pleasures and village enjoyments, and so he does not need this additional luxury which he also cannot appreciate. Sir, the real fact is

that out of this sum which is granted for rural uplift, a few officers will be appointed from among the favourites of some officials, those who are not favourites of some of the higher officers in districts will be given some posts in the villages out of this money. Now, if these people go to the villages, what will they do? What can they do being outsiders? Again, Sir, what do we find in the villages today? The sanitary condition of these villages is far from satisfactory, there is complete waterlogging everywhere especially during the rains. There is, of course, the Canal Department, but what are they doing? They merely go to collect the tax from the tenants. The people in charge of the Canal Department have nothing to do during the rains, they do not care to look into the hygienic and sanitary condition of the villages. Now, let us see what more the Provincial Governments are going to do with this sum? They are going to spend this money for opening windows in the houses of poor people, but how will the cultivator benefit by opening new windows for fresh air when he cannot protect even one door that he has in his house from robbers and dacoits or thieves? I am afraid, Sir, this money will be frittered away without any real benefit to the poor cultivators. We all know how poor India is. The poor people are not able to sustain themselves, it is very difficult for them to get even two square meals in a day. So how is this money which is granted to Provincial Governments going to benefit the poor cultivator, how is it going to relieve his present condition? It may be said that there are Co-operative Credit Societies; that this money may be distributed among these societies to be given to the poor cultivators, but we all know how *Takavi* money has been given to these poor people. At the same time we also know what the condition of these Co-operative Societies is, ever since it has become a provincial subject. Money was freely advanced as loans, but these poor people could not repay the advances they took from these societies. Their indebtedness is increasing every day. Even they are not able to pay their rents to their landlords. It is the condition not only of the peasants but it is the condition of the landlords as well in payment of revenue and the indebtedness of the small landlord too is really pitiable. Acts have been passed to relieve the landlords and landholders, but it is very difficult for the landlord or the landholder to pay up his revenue to the Government as he cannot properly realise the rents from his own tenants. This grant will not, in any way, relieve either the landlord or the cultivator. It may be said that there are agricultural farms for demonstration. I realise that and I believe they are doing some good to the country, but what are they doing for the peasant? If any of these officers of the agricultural department were to go to a single village and take up village reconstruction work, then he would know. Or if he would put himself in the position of the tenant, he would then be able to find out how the tenant supports his own family and how far he can be able to pay the rent, and generally the condition of the peasant and the tenant. It is not merely by means of demonstration of tractors or ploughs that he can improve the condition of the tenantry, but it is only by placing himself in the position of the poor peasant that he can know why he is or is not able to pay his rent to the landlord and the landlord is or is not able to pay his revenue to the Government and how they are able to make both ends meet—then only will he be able to do something. This grant that you have made will not, in my opinion, relieve the poor condition of the peasantry, but you will simply plant on their heads some of these officials who will just go and dump themselves on the tenant as other officials. My point is this. Unless the Provincial Governments make it a business to consult public

[Mr. Muhammad Azhar Ali.]

bodies and especially the landlords of the place,—then only and not until then can they improve the condition of the poor peasantry and the tenant. I have heard in this House that professional men also have suffered because of agricultural distress. It is no secret that even lawyers and doctors are at present suffering from shortness of income. It may be said that the tax on income has been reduced. I grant it and I admit that the Government has done something, but it has done this to benefit its own servants rather than the public generally. The reduction in the surcharge may be of some good to great industrialists, but it will not benefit the generality of the public in India. Other countries like America and Russia make every kind of arrangement for the relief of their poor peasantry, but my own Government appears to be puny in its efforts in India, and after a century it has given a little grant for the relief of the poor and for the uplift of the villages.

The United States of America have started a sort of Agricultural Adjustment Administration, which they call A. A. A. and which looks after all the comforts of the villagers. They look to the payments of their rents, they raise the value of the commodities. They look after the hygienic condition of the people, etc., etc. I do not find anything here compared to those things which those countries do for relieving their poor people. It may be said that here we have got agricultural associations. Certainly we have and I do not in any way minimise their efforts for the relief of some people, but I may say that while you spend lakhs and lakhs of rupees I do not find a single scheme of yours that will go down further to the poor tenant, or, as some Honourable friends put it, to the masses in the country. The real point, that is to be studied in India, is the condition of the cultivators. From a long time Government have been realising revenues and rents, and I should say about 50 to 60 crores of rupees are collected from the cultivators every year throughout the length and breadth of India. What is this driblet now, compared to that, which has been given by the Honourable the Finance Member for the relief of the poor cultivator? By building high tariff walls, you can help the cultivator, you can help the glass and other industries in India, which, I find, the Government are not doing, and thus not relieving the poor people and the masses of the country, but giving relief to the higher classes and those who are more vocal than the poor cultivator or the masses. With these words, I resume my seat.

Mr. K. Sanjiva Row (Government of India: Nominated Official): Sir, I shall first deal with two technical points raised by my Honourable friend, Pandit Govind Ballabh Pant. The first point he raised was whether it would not be possible to introduce a system of pre-audit for all transactions of the Government . . .

An Honourable Member: A little louder, please.

Mr. K. Sanjiva Row: The first point which he raised was whether it would not be possible for Government to introduce a system of pre-audit in respect of their disbursements. I may inform the House that, apart from various practical difficulties involved, the main question is one of finance. To introduce pre-audit in respect of all disbursements would cost not less than Rs. 50 to Rs. 60 lakhs. I may also mention that, prior to

1932-33, as a part of the experiment of separation of accounts and audit, a scheme of pre-audit was introduced in some of the departments of the Government of India, but it had to be abandoned as a measure of retrenchment.

The next point, which my Honourable friend raised, was whether we could not think of "something like the Public Works Department Reserve Fund, to which all the sums which were not genuinely required before the close of the year should be transferred for the time being, instead of being precipitately misused simply because the year was about to close". Sir, the question of the rush of expenditure in March and of withdrawal of funds to avoid the lapse of budget grant is one which has been engaging the attention of audit and financial authorities for a very long time. It arises mostly in the Public Works Department, and there there is a definite rule as regards the rush of expenditure, which runs as follows:

"It should be clearly understood that it is contrary to the interests of the State to spend money hastily, and in an ill-considered manner, mainly because it is available. It is far more in the public interest to surrender funds, that cannot be profitably utilised, so that they may be diverted to other objects which would otherwise have to be held in abeyance for want of money. Failure to spend the total allotments made to executive officers will not, in ordinary circumstances, operate against them in any way. They should, therefore, freely surrender all money that cannot be expended economically. Serious notice will be taken of any officer who acts in disregard of these orders."

There is also a definite provision in the rules for the re-allocation of grants which lapsed in the previous year. The specific rule on the subject runs as follows:

"Expenditure likely to lapse should, as far as possible, be provided for in the Schedule of Demands for the ensuing year."

"In cases where this cannot be done applications for the regrant of lapsed expenditure that can be economically utilised in the new financial year should be made and submitted to the Public Works Branch as soon as possible after the 15th May of each year. These applications will as a rule be met in full."

I may mention here that as a result of the constant watch of the audit authorities on this matter, the position has considerably improved. Withdrawal of funds by the disbursing officers, merely to avoid the lapse of a budget grant, is considered as a very serious irregularity and is included by the audit authorities in their appropriation accounts and is examined by the Public Accounts Committee and those Members of the House who have worked on Public Accounts Committees know that such irregularities have become very rare nowadays.

The next point which I propose to deal with is the growth of expenditure. Several Members of the House protested against what they called the growth of expenditure at a time when emergency taxation was still on. The figures of the expenditure of the Central Government have been analysed in columns 5 to 8 of Table I of the Financial Secretary's memorandum supplied to Honourable Members. Column 5 gives the figures for interest on debt, column 6 for reduction or avoidance of debt and column 7 for defence expenditure. These three items have been fully dealt with in the budget speech of the Honourable the Finance Member. So I shall confine myself to the figures given in Column 8 which gives other expenditure charged to revenue, excluding the cost of collection of tax revenue

[Mr. K. Sanjiva Row.]

and I shall take as the basis the figure for 1932-33 which is the first year after retrenchment. The expenditure in 1932-33 was 16 crores, 10 lakhs. The figures for 1933-34, 1934-35, 1935-36 and 1936-37 are as follows: 18,72; 22,80; 22,03 and 21,74. These figures seem to show that there has been an increase in the expenditure of several crores but, before we can compare them we must reduce them to a comparable basis. For example, the figures for 1933-34, 1934-35 and 1935-36 and 1936-37 include certain special items such as half the jute export duty given to the jute producing provinces, the rural development fund, funds for the development of broadcasting and civil aviation, funds for the reconstruction of earthquake damage in Bihar, grants to provinces from the Sugar Excise duty, funds for the Sind and Orissa buildings, subventions to Sind and Orissa, the Revenue reserve fund and the expenditure on Quetta. If we exclude these special items, the figures which are really comparable are as follows: 1932-33—16,10 lakhs, 1933-34—16,00 lakhs, 1934-35—16,14 lakhs, 1935-36—17,01 lakhs and 1936-37—17,55 lakhs. The figure for 1936-37 is thus 1,45 lakhs above the figure for 1932-33. Out of this increase of 1,45 lakhs, about one crore represents the increase due to the restoration of the cut in pay and the accrual of normal increments. Excluding this, the real increase is only 45 lakhs, that is less than half a crore.

Now, I shall just examine what this increase is due to. First of all, there is an item of about seven lakhs for grants to handloom and sericultural industries. Then there is five lakhs for the establishment of a Central dairy institute. Then there is five lakhs for the improvement of agricultural marketing, three lakhs for grants to Irwin Hospital, Delhi, and the Victoria Hospital, Ajmer, two lakhs for archæological repairs, 18 lakhs for Delhi sewerage and refuse disposal schemes. There are also small increases under Aviation and Broadcasting. The House will thus see that almost the whole of the increase is due to medical, public health and agricultural schemes and that it is almost entirely in the direction in which this House wants us to spend more money. This completes my review of the figures given in Column 8, and I hope I have shown that there has been no unnecessary increase in expenditure at all.

Before turning to other subjects, I just want to refer to one remark of my Honourable friend, Dr. Ziauddin. He began his speech by saying that Government should exercise the utmost caution in increasing expenditure but he ended by saying that Government should give large grants for educational purposes and restore the cut in the grant to the Aligarh Muslim University. I am referring to this because it is not an isolated remark of one Member only. Most of the Members of the House want us not to increase expenditure, but, at the same time, they want large grants for purposes in which they are specially interested.

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

I next turn to some of the other remarks made by the Honourable Member, Pandit Govind Ballabh Pant. He found fault with the Finance Member for saying that there were signs of recovery and of increasing prosperity. I may mention here, that the Honourable the Finance Member never said in his speech that India was out of the depression yet. All that he said was that there were some sure signs of increasing

prosperity and of economic recovery. It is quite true that indices of prices and productivity are still much below the pre-depression period. At the same time, there is no doubt that there is an appreciable recovery. I shall refer to some figures in support of this statement. Table I of the monthly survey of business conditions in India, issued by the Director General of Commercial Intelligence and Statistics, gives the industrial production of the country for some of the important items. The figures in the latest volume available show that under most of the items there have been considerable increases in production during the first eleven months of the current year as compared with the corresponding period of last year. I have got the figures and can quote them but I do not think it is necessary to worry the House by quoting them. Again Table 3(1) of the same volume gives the index numbers of wholesale prices. It is quite true that they are below the pre-depression level but the figures for 1935-36 are certainly higher than those for 1934-35. In the course of his speech the same Honourable Member remarked that one of the most disquieting features of the present situation was the contraction in the volume of inland trade. His reasoning in arriving at this conclusion appeared to me to be a bit curious. He admitted that there was an increase in volume, so far as the foreign trade was concerned, and I am glad to note that he admitted this, but he concluded from this that there was a considerable diminution in the internal trade!

An Honourable Member: What is your conclusion?

Mr. K. Sanjiva Row: Now, what do we find from the accounts relating to the inland trade of India prepared by the Department of Commercial Intelligence and Statistics? The latest volume available is that for October, 1935, and it compares the figures for the period—the 1st April, 1935, to the 31st October, 1935, with those of the corresponding period of the previous year, and under almost everyone of the items it will be seen that there has been a considerable increase in the inland trade of the country in the first seven months of 1935-36 as compared with the corresponding period of the previous year. The Honourable Member said:

"When internal trade goes down in a country, that indicates that the economic capacity of the people is going down and their purchasing power is becoming poorer."

I hope he will admit that the converse of this is also true, and, if so, from the figures available in this volume it appears that the economic capacity of the people and their purchasing power is going up.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): What is that volume?

Mr. President (The Honourable Sir Abdur Rahim): Let the Honourable Member go on. The Chair does not think it is fair to interrupt him.

Mr. T. S. Avinashilingam Chettiar: I was not interrupting, Sir; I simply wanted to know what he is quoting from.

Mr. President (The Honourable Sir Abdur Rahim): Let the Honourable Member go on.

Mr. K. Sanjiva Row: Accounts relating to the inland trade of India.

I may, in this connection, also quote from some reports received from Local Governments and Administrations regarding the agricultural situation during 1935. One province says:

"Prices are generally higher than in the previous year and the economic condition of the ryots has slightly improved."

Another says:

"The upward trend of prices of agricultural produce is continuing and there are signs that the lowest level of depression has passed away."

The third one says:

"There are indications of a slight recovery from the general economic depression but it is feared that unfavourable crops in some parts of the province will result in a set-back, though the expected rise in the prices of food-crops will to some extent compensate for this."

Again, another province says:

The condition of the agricultural population improved during the year 1935, as the seasonal conditions were generally favourable for all crops, especially rice, and prices were steadier, with a tendency to rise."

The general trend of the opinions of the Local Governments is that, except in some of the parts where there has been either a shortage of rain or excessive rain, the condition of the agricultural classes was much better in 1935 than in 1934.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): It is the "India" report again!

Mr. K. Sanjiva Row: One of the Honourable Members, Sir, referred to the deposits in the Post Office Savings Banks as some sort of index of the prosperity of the people. I would add, that the figures of investments in the Post Office Cash Certificates are also a guide in this matter. I wish to quote some figures to show what progress there has been in this matter. The amount of Cash Certificates outstanding on the 31st March, 1925, was Rs. 13 crores. It rose to Rs. 38 crores on the 31st March, 1931, and to 66 crores on the 31st March, 1935, *i.e.*, an increase of 53 crores between 1925 and 1935. Again, the total deposits in the Post Office Savings Banks on the 31st March, 1925, were 26 crores. They rose to 37 crores on the 31st March, 1931, to 58 crores on the 31st March, 1935, and are expected to be 68 crores on the 31st March, 1936, and 77 crores on the 31st March, 1937, *i.e.*, an increase of 51 crores. It must be remembered that owing to the very low maximum amount that can be deposited each year in a Post Office Savings Bank and the low total maximum amount that can be held in each account, the Post Office Savings Bank is usually utilised only by the poorer classes.

An Honourable Member: Question.

Mr. K. Sanjiva Row: It should also be remembered that, in most of the rural areas, people, if they have got any surplus cash, will first utilise it for lending locally at considerably higher rates instead of depositing it at a Post Office Savings Bank at a very low rate of interest. The large increases in the investments in Cash Certificates and Savings Bank deposits have also something to do with the question of gold exports, and I shall now deal with some aspect of that question. The contention of Honourable Members opposite seems to be that most, if not all, of the gold exported is "distress gold".

An Honourable Member: Is it not so?

Mr. K. Sanjiva Row: I shall mention some of the arguments against this assumption. Of course, it is quite true that in a country like India, where the bulk of the savings of the people are held not in banks, but in the shape of precious metals, some gold and silver should always go into the market whether there is a depression or no depression. In ordinary times this gold is absorbed by the people, but at times, when there is a large export of gold, it is but natural that a portion of this gold should also be exported. Sir, the large increase in Post Office Cash Certificates and Savings Bank deposits clearly shows that the major portion of the gold exported is not distress gold. In the seven years, between 1923-24 and 1930-31, the Post Office Savings Bank deposits increased by only 12 crores, whereas between 1931-32, the year in which gold exports actually began, and 1936-37, the increase is about 40 crores. As I said already, in comparing these figures, it must be remembered that most of the rural people deposit money in the Post Office Savings Bank, only when they cannot utilise it for local lending. There is ample evidence to show that considerable amounts of money are thus being utilised for local lending. We are informed that the indigenous professional money-lenders, who in previous years used to finance themselves by loans from the regular banks, do not now do so. This must be due either to the indigenous money-lenders having sufficient resources themselves, or to the demands on the professional money-lenders being less; in either case, it can only mean that the proceeds from the sales of gold are being utilised for internal finance.

Prof. N. G. Ranga: The credit of the people is gone, I say.

Mr. K. Sanjiva Row: I shall next deal with the question raised by my Honourable friend, Dr. Ziauddin Ahmad, as to how the amounts realised from the sales of gold have been utilised.

Honourable Members: Speak up, please.

Mr. K. Sanjiva Row: It is, of course, impossible to give any accurate or even approximate calculation. There is a lot of indirect evidence to show that a considerable portion has been invested abroad by the richer classes. I have already said that it is impossible to give any figures for this. Then, again, during the period between the 31st March, 1931, and the 31st March, 1937, we would have reduced our sterling debt by about 40 crores. The gold and sterling assets held by the Government of India in the Paper Currency and Gold Standard Reserves on the 31st March, 1931, amounted to about 79 crores, whereas the gold and sterling assets, held by the Reserve Bank of India on the 29th February last, amounted to a little over 132 crores, that is, an increase of 53 crores.

Honourable Members: A little louder, please.

Mr. K. Sanjiva Row: In addition, capital expenditure has been incurred in England to the extent of about 11 crores. These are only some of the items and it is impossible to give any accurate calculation.

[Mr. K. Sanjiva Row.]

Before concluding, I wish to deal with one of the arguments raised by my Honourable friend, Dr. DeSouza. I wish to deal with it because it is a very important point and is used by most people without realizing the fallacy in it. He said that the value of the rice crop in Madras dropped from about 97 crores in 1928-29 to about 45 crores in 1933-34, that is a drop of about 52 crores and from this he concluded that the purchasing power of the people had been reduced by 52 crores. Now, out of the rice crop worth 45 crores produced in Madras a little over 44 crores is consumed by the people of the province and a little less than a crore worth is exported. So far as the portion worth a little over 44 crores is concerned, it is certainly not correct to say that the purchasing power of the people is reduced. It is only in respect of the very small fraction which is exported that the purchasing power is actually reduced. Though he used this agrument, in the earlier part of his speech, he contradicted himself in the end by saying that any import duty on rice will not be a burden on the consumers as they consumed their own rice. If they consume their own produce, I do not see how the purchasing power will fall with the drop in prices.

Then, Sir, my Honourable friend, Mr. Azhar Ali, mentioned just now that the increase in the currency receipts was due to the loss of currency notes by poor people. This increase represents entirely currency notes of the denomination of Rs. 500 and over which were not claimed during the last 40 years. I do not know how many poor people use currency notes of the denomination of Rs. 500 and over. With these words, I resume my seat. (Applause.)

Mr. Sami Vencatachelam Chetty (Madras: Indian Commerce): Mr. President, the Honourable the Finance Member, with characteristic politeness, invited the Opposition to shoot first. Barring his supreme disregard he holds of views other than his own, I like his jovial spirit which is infectious and it has also infused life into this otherwise listless House. The invitation, though appearing to be bold and courageous, smacks, I am afraid, of cowardice.

Mr. President (The Honourable Sir Abdur Rahim): "Cowardice" is not the proper word to use.

Mr. Sami Vencatachelam Chetty: I beg your pardon. I will say timidity. We have, in our *Puranas*, the instance of a Kshatriya being surrounded by the ladies of the harem looking at his virtuous and chivalrous foe with defiance, because he felt sure that the foe would not attack him when he was surrounded by the other sex. But, in this case, the Honourable the Members of the Government are equipped with the armour of irresponsibility and of a thicker variety in the case of the Honourable the Finance Member. So, Sir, it is indeed very often futile to indulge in shots, however dexterous my Honourable friend to my right may be or however pointed my Honourable friend, the Deputy Leader of our Party may be.

Sir, during the last 15 months, during which I have become associated with this Assembly, I have been an unfortunate spectator of increasing differences between the Government and the representatives of the people.

Barring questions of political importance, namely, independence, self-government, Dominion Status, Federation of unwilling and unequal units, Central responsibility to the Secretary of State for India, Provincial autonomy in the leading strings of the Central Government, coming to the more practical questions of improving the economic and financial conditions of the people of this country, I fail to see how, if the interests of the Members of the Government and of the people's representatives should be identical, there could be any divergence of views at all. But it is upon these questions every day, day in and day out, that the Government Members fail to see our point of view and we are unable to understand their point of view. No sincere attempt was ever made by the Members of the Government to take the people's representatives into their confidence and explain to them their difficulties in regard to the various questions that we put forward day after day before the Members of the Government. If we point out that the literacy of the people has not improved, if we point out that the economic condition of the cultivator is deteriorating, if we point out that the ratio that you have steadfastly adhered to is not conducive to the interests of the people, if we say that we are persecuted in this manner or repressed in another manner, you have nothing else to say than merely to repeat the arguments which are as unconvincing as they were when they were first trotted out. Sir, why this kind of atmosphere should be persisted in, I cannot understand. It will certainly not be good either to the Government or to the country to persist in this kind of aloofness and non-understanding of each other's point of view. (Hear, hear.) Sir, the case of this country cannot be more ably put forward than that which has been done by my Honourable friend, the Deputy Leader of our Party. I have, so far, not heard any reply from the Government Benches to the main questions which he has raised in that debate. It is easy enough to see that the financial condition of the Government may be quite sound, while the economic condition of the people might be rotten. The successive Finance Members might feel proud that they have presented balanced budgets, that they have raised lots of money by means of taxation, that their customs revenues have increased or that the salt revenues have increased and thereby paid off a lot of expenditure for this and that and also provided for avoidance of debt. The Honourable the Finance Member may also take pride in the fact that, contrary to expectations and contrary to the pledges given by Government, he could rather use revenue monies for capital expenditure and make the present generation suffer for the posterity. But, so far as the economic condition of the country is concerned, nothing seems to have been done effectively to ameliorate it or to put down discontent which is certainly rampant in the country.

Within the framework of the policy and the case which has been presented to this House by the Deputy Leader of our Party, it may not be inconsistent if I should refer to some of the minor questions which affect the people of this country. For some years past it is a matter of some satisfaction that a few problems of rural and agricultural welfare are receiving the attention of the Central and Provincial Governments. But such matters affect only the upper strata and the stress on the superficial questions even create a doubt in our minds that the Governments are only diverting the more important ones from the attention of the public and giving undue importance to academic questions. I refer, Sir, to the incidence and the oppressive vagaries of the land revenue assessments. Though the land revenue assessment is primarily the concern of Local,

[Mr. Sami Vencatachelam Chetty.]

Governments, the Government of India cannot escape the responsibility of failure to persuade the Local Governments to place these assessments on a statutory basis. And, as a matter of fact when the Madras Government had submitted a Bill for sanction to put the land revenue assessment on a statutory basis, the Government of India has the unenviable credit of having rejected a proposal of that sort. Though in theory the assessment is half of the net produce in practice it amounts to a greater proportion, and this has occasioned the progressive impoverishment of the mainstay of the country. Researches in seeds, methods of cultivation and promotion of new and improved methods of cultivation, fall flat on the agriculturist, the prices of whose produce we have cruelly lowered and exposed him to inclemencies of all sorts. The tenants in zamindari areas who, by the way, in the Madras Presidency alone, are nearly a third of the tenantry, are in peculiarly distressful conditions. Their rents are disproportionately high and abnormal, and it is indeed a very cruel form of concern for agriculturists that their grievances of rackrenting are ignored on the ground that their interests are the concern of Local Governments or a matter regulated by time-worn legislation.

Rice, which is the main crop of the Madras Presidency, and an important crop in several other provinces, has suffered a decrease in export due mainly to some foreign customers turning away from the rice of our country on account of the discrimination shown against them. We are further handicapped by the large imports from Siam, though I cannot definitely say that these imports have displaced the Indian equivalent variety in the internal market. I have no doubt these heavy imports have had a deleterious effect on the prices of other varieties of rice. The duty levied on the importation has had no permanent effect and I venture to think that unless quantitative restriction is placed on them the increase of duty will only add to the burden of the consumer instead of levelling up the price of Indian rice.

Cotton is another important crop. There are about 25 million acres under cotton cultivation yielding about 6 million bales of 400 pounds. Nearly half of it is, I am told, consumed in this country, and, in the export of the other half, the cultivator comes in the conflict with the industrialist. It is true that the industrialist is assuring the cultivator that Japan, a large buyer, would continue to take the exportable surplus. Verbal assurances will carry no conviction to the mind of the cultivator, and the industrialist who wants protection for his industry,—with which desire I entirely agree,—must be able to offer more tangible proof of his assurance.

Tobacco is another important crop in Madras. Happily the legislation to levy certain license fees on the sale of this commodity is for the time withdrawn. But I fear it will be brought up again. Cigarette manufacture should be encouraged in this country.

In all important matters of produce and manufacture, the industrialist and the cultivator only are reckoned with. The labourer and the merchant are looked at in a patronising mood and indifferent spirit. In fact, the poor consumer is trotted out, both by the industrialist and by the agriculturist, as being a victim of labour or the merchant. At one time the industrialist and the merchant were one and the same person. Now they are different, and where they are both one the merchant is talking in the

language of the industrialist and pocketing the profits of both the industrialist and the merchant. In provinces where industries are few or nil the former merchant in imported goods is driven to the ranks of the unemployed. He is looked down upon by the patriot, industrialist and the socialist. This process of elimination of the merchant is justified on the specious plea of branding the merchant as a middleman adding to the burdens of the consumer. But a closer examination and unprejudiced observation will show that by the elimination of the middleman the consumer is not a bit benefited, but the voracious middleman of industrial class snatches it away at the source. Madras can boast of very few industries and joint stock concerns. The middle class consists of merchants and traders. It remains to be seen how the industrial policy of the country will be able to afford living accommodation to them who, I think, exist in large numbers in other non-industrial provinces as well.

In this connection, I remind myself of the proposed comprehensive amendments to the Companies and Insurance laws. I await with keen interest the changes; but let me say that our compatriots of the northern provinces have had a start in insurance. In a spirit of patriotism the public in the south had placed large business expecting that the resources of these companies would filter to all provinces alike for the benefit of the economic and industrial conditions of the country as a whole and all the component parts. Much of the wealth is locked up in Government securities or securities of industrial concerns of the north. I am doubtful if a small portion of their fluid capital is with the local banks of provinces other than their own.

Madras must needs complain about postal and telegraph amenities. It was not without some supplication that we were able to secure the restoration of the single sea-mail direct service between Madras and Burma. I must acknowledge and convey my deep thankfulness and of the other representatives of Madras and the commercial organisations of Madras to Sir Frank Noyce without whose help it would not have been possible to get this restored. But let me tell him, Sir, that Madras, in respect of postal conveniences, is behind at least by 20 years. The population of the city has grown up by 25 per cent. within the last two decades, and the suburbs have increased by at least a dozen; and still the post offices have not shown a corresponding increase, much less the staff, in the existing post offices. There is only one clerk who receives the telegraphic messages in the General Post Office where many people, both European and Indian concerns, have to wait to see their messages received, for more than 20 or 25 minutes.

Now, Sir, with reference to some of the points raised by Pandit Govind Ballabh Pant, the Budget Officer of the Government of India has replied to them, and he took particular care to mention those arguments in as inaudible a voice as possible, because it is very difficult to be bold when arguments are weak. Sir, it would have facilitated our convenience if he had made himself better heard. At any rate, Sir, to such of those points which I heard and to which there can be an immediate reply, I propose to give a reply. With regard to the growth of expenditure, he said that from 1932-33, the real increase of expenditure was only Rs. 45 lakhs, so that the figures of expenditure which are shown as Rs. 21 or 22 crores include many other items of extraordinary expenditure during the year. That is so. The point of our criticism is that you are taking money from the emergency taxation and meeting unusual

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and extraordinary expenditure which ought to be provided for within the ambit of ordinary revenues and ordinary expenditure. There is no point in saying "there is so much money, I will spend on Quetta", and when we criticise and say that you should not spend from revenues on Quetta, turn round and reply, "there has been no real expenditure, because this expenditure is unusual and has only shown a small increase". What we really say is that you have no business to meet expenditure for which you have not raised emergency taxation. If you examine the various items of your unusual or extraordinary expenditure, you will find that they are such as should be possible for any Government to make provision in the ordinary course. Could it be said that Rs. 7 lakhs for handloom weavers, Rs. 5 lakhs for the dairy institute, Rs. 5 lakhs for agricultural marketing, Rs. 3 lakhs for the Delhi hospitals, Rs. 2 lakhs for Archaeological Survey—researches I suppose—and another few lakhs for anthropological researches could be considered to be so emergent as to justify expenditure from emergency taxation? It should be considered to be a tyrannical and oppressive taxation.

Again, he criticised one Honourable Member who had said that, while asking for reduction of expenditure, it would be inconsistent to ask for increase of grants. This is the usual argument of the Government Benches. We, no doubt, ask for a number of things, but what you generally do is, you reject everything. You won't say, "well, you have asked for so many things, I am going to provide for this thing this year, you must be satisfied". We ask for reduction of taxation, because you do not grant us any of our requests and there is no chance of any of our demands being accepted by you. When we ask for the reduction of the post card rate from nine pies to three pies, you say "you want this, you want that, therefore, I am not going to reduce the rate". When we say "you have taken so much money, why don't you do this and do that", you say you cannot do anything. So, there is no meaning in finding fault with Honourable Members who ask for a reduction of expenditure and also for an increase of grant. If you are prepared to give increase of grants and thereby justify the amount of taxation that you levy, that is something which we can understand.

I shall now come to the contraction and value of inland trade. I believe that, in the normal course of events, the inland trade of a country must be nearly ten times the value of foreign trade. May I ask the Budget Officer in what proportion our inland trade stands in relation to foreign trade? Is it fair to take only the figures of nine or ten months of this year and compare them with the figures of the preceding year? You must take the average figures of the last four or five years and let us know whether there has been any appreciable increase in inland trade. It has been said that the economic condition of the people is going up. I suppose it is going up in the minds of those highly paid men. It is always the case that when one is satisfied, he thinks the whole world is satisfied. It is no doubt a very enviable mentality that people who are satisfied must think that every one else is satisfied. But to examine the question, whether the economic condition of the peoples is going up, we have to go into the villages and find out what the actual state of affairs is. The Budget Officer quoted in support of his argument that the economic condition of the people was going up, the volume of deposits in the Post Office Cash Certificates, in the Post Office Savings Bank, etc. He very carefully omitted to mention the low rate of interest of

banks for current accounts and savings bank accounts with them. While the savings bank deposits have increased in several banks, the interest has been reduced on current account to one per cent., and I think, on savings bank, the Imperial Bank of India has reduced it to 1½ per cent. or two per cent. Apart from that, the money is unemployable. It is not in the savings banks alone that you see large accumulations of money, but in very many banking concerns, there is a large accumulation of money, and this is no indication of the economic prosperity of the country. On the other hand, it is because that we are not able to employ the large capital that is available in profitable undertakings that there is this accumulation. To infer from large deposits in savings banks that the economic condition of the people has gone up is erroneous on the part of ordinary people, but it is a dangerous inference so far as Government officers are concerned. It was also said that the indigenous moneylender was not taking money from the bigger *sowcar*, either because he himself has come into possession of more money or because the borrower does not require money. Is this the way by which Members of Government determine the economic condition of the people and decide about their prosperous condition? It is very unfortunate that he should have ignored the various handicaps laid on the small moneylender in recent times. In almost every province, debt legislation has been passed and this imposes some stringent conditions on the moneylender. I believe, there is also a Bill which has been given notice of in this House for freedom of debtors from arrest and non-attachment of a portion of salaries. It is not necessary for me to say whether these are good measures or bad measures. But one thing is certain, and that is, that all these are restrictive measures which affect the credit of the small man. Now, for what purpose does the small man borrow from the moneylender? It is only for the purpose of paying the *kist*. If you can know to what extent the small man borrows during the *kist* collection months, it would be a fair index of his capacity to pay the tax.

It is said that one Honourable Member referred to the fact that the value of the rice crop in Madras dropped to Rs. 45 crores and thereby there had been a loss of about Rs. 20 crores to the agriculturists, and it has been stated in reply that out of 45 crores value of rice, 44 crores value is consumed internally. Sir, like the law of averages, this is also a very deceptive argument. 45 crores value of rice is no doubt produced in Madras Presidency. Is it, therefore, suggested that without converting that produce into money the ryot or the people of the province would be able to consume the same? It must pass into others' hands and when it passes into others' hands the return he gets is often smaller than the money which he got previously, on account of the fall in prices. But the Honourable the Budget Officer conveniently forgets that the payment of tax is still in money. The full value of the money has to be paid; and for paying a certain amount of money he has to sell a larger volume of rice produce to satisfy the tax-gatherer.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

It is, therefore, wrong to say that because 45 crores value of rice is produced in a province and 44 crores value is consumed, that it is not affected by the fall in prices . . . .

Dr. F. X. DeSouza: That argument applies only to crops which are food like rice, but not to money crops.

Mr. B. Das: You have turned round?

Mr. Sami Vencatachelam Chetty: Therefore, it is an incontrovertible fact that the capacity of the cultivator to pay his taxes is considerably diminished, and that is why even the Local Governments are realising the necessity of giving remissions. Now, in connection with a similar question, the Honourable the Budget Officer mentioned some reports of the Provincial Governments which uniformly go to show that there has been an upward tendency in the condition of the agriculturist. I have a doubt if these reports are those sent up to the revenue boards for the purpose of maintaining the existing rates of land revenue assessment. Generally, it is an open secret that whatever might be the personal views of the district officers in regard to the condition of crops in their areas, the condition must be so indicated to the higher authorities as not to put them in an awkward position when they have to meet the demands for the reduction of land revenue assessment; and it is only in very rare occasions when the distress is far too acute to ignore and when the district officers have not become so seasoned and so trained to ably soften facts that recommendations for remissions reach the Provincial Governments. Therefore, to set such a high value upon the reports of Provincial Governments, which, after all, are based upon the district officers' reports and submitted just at the time of the assessments, is rather disadvantageous to know the exact truth of the condition of the people. I do not know how else we could show to this Government that the people are suffering from the lack of business, from the lack of sufficient money to sustain themselves even up to the level to which they were accustomed some years ago. Unless the Government themselves believe that there should be some truth in what we, time after time, are expressing in this House, there is to my mind no other way of convincing them. Therefore, while I feel that so far as certain rates of taxation and certain postal rates are concerned there was some indication of relieving the burden of the people, there is yet a lot more to be done. Apart from that, the one way of gaining the confidence of the people and their co-operation in its full measure is to take their representatives into the fullest confidence and explain to them why it is that they should still adhere to the export of gold, why it is that they should still adhere to this 18*d*. ratio, why it is that protection could be given only in driblets, why it is that repression should be going on in the manner in which it is now being done. I pray that God Almighty will give wisdom to the Honourable Members of the Government to understand the spirit and the minds of the people . . . . .

The Honourable Sir Nripendra Sircar (Leader of the House): . . . and that He might be equally kind to the Opposition.

Mr. Sami Vencatachelam Chetty: . . . and to improve their economic and political condition.

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): Sir, at this stage, it is incumbent on us to consider the financial history of the country before we begin a discussion on the various items contained in the Finance Bill. I will not, however, deal with the remote past, but will confine my attention to the period beginning from the outbreak of the Great European War. During these 22 years, we had in India ten years of deficit, nine years of surplus, and three years in which the expenditure was equal to the income. How were the deficits met and how were the surpluses secured? By borrowing and taxation. In 1914, that is to say, just on the eve of the outbreak of the European War, there was practically no unproductive debt in this country. The first purpose for which debt was incurred was to give assistance to the British Government in carrying on the European War to the extent of £146 millions. Then, there were further additions to this unproductive debt due to deficits in the Government's budgets.

Coming to taxation, we find that it was on no less than twelve occasions during this period that fresh taxes were imposed on the people and it was only a very small proportion of this additional taxation that has so far been remitted. Now, Sir, is this a satisfactory state of things? I am not one of those who regard taxation as a necessary evil. On the other hand, I believe that in certain conditions and in certain circumstances taxation may become a necessary good. If the distribution of the burden of taxation is equitable, and if the proceeds of taxation are properly utilised, taxation made the instrument for promoting the welfare, social, moral and economic, of the people. But for what purpose has taxation been imposed in this country during the last twenty-two years? Have these taxes been levied to extend education? No. Have these taxes been levied in order to improve sanitation and public health? No. Has taxation been imposed in order to improve agriculture? No. Has taxation been levied in order to develop the industrial resources of the country? No. Has taxation been levied in order to introduce measures of social reform, in order to relieve poverty, in order to relieve unemployment? No. The emphatic answer to all these questions is "No".

For what purpose, then, has this additional taxation been imposed? In order to enable the Government to carry on the ordinary duties of administration. Sir, if we compare the administrative expenditure which existed in 1914, with that of the present day, what do we find? We find that there has been an enormous addition to the expenditure of the country,—and on what subjects? On subjects which do not relate to the nation-building departments of administration, but to subjects like defence, police, general administration, and so forth. Now, Sir, these are important duties which the Government have to carry on, I do not deny that. But my complaint is that there is a lack of balance between what may be called the protective services of Government and the ameliorative services, and this lack of balance has been in existence in this country from the beginning of British rule. Sir, time has now come when this lack of balance should be remedied, and it is urgently necessary that steps should be taken to take in hand the subjects which have so far been neglected. For this purpose sufficient funds should be provided. Now, Sir, how can this object be achieved? This can be achieved only by a reduction in expenditure. It is true that on some occasions, when the pressure was very great, Government adopted a policy of retrenchment. But this policy was a feeble one, and in many instances a misdirected one. While the axe fell heavily at the bottom, the top was practically left untouched. When temporary cuts were levied even at the top, even this small reduction in salaries was removed at the earliest possible moment. Sir, what is wanted now is to adopt a proper policy in carrying on the administration of the country, and that policy is to secure money by retrenchment in the different departments by removing unwanted persons from the top

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and by effecting a general cut in salaries and to utilise the money thus released for beneficial services. Sir, on the occasion of my budget speech the other day, I urged that more money should be made over to the provinces. My object was not to make it possible to incur additional expenditure on subjects like police and general administration, but to enable them to spend more money on subjects like public health, sanitation, education, agricultural improvement, and industrial development.

Sir, Sir Walter Layton, the financial assessor of the Simon Commission, remarked a few years ago that, while India was spending as much in regard to the protective services as any other civilised country, her expenditure on education, sanitation and other subjects was extremely small, and in regard to some of the services, which engaged attention in other countries, India incurred no expenditure at all. Sir, the time has come when the whole matter should be considered in a new perspective.

Sir, the other day, when the Honourable the Finance Member was presenting his budget, he said that India was on the road to recovery and was gradually gaining in prosperity. Well, I do not know whether he was quite correct or not. But, with reference to this, I said that there were certain indications that foreign trade had improved to some extent. Today, my Honourable friend, Mr. Sanjiva Row, points out that internal trade has also improved, but the figures, which he supplies, themselves tend to show that this improvement is not at all appreciable,—it is, in fact, almost negligible. An improvement in foreign trade does not necessarily imply that the country is prospering.

While, on this subject, Sir, I may mention that our export trade has not as yet improved to the extent that it would make it possible for us to do away with the export of gold. For a long time past India enjoyed a very large favourable balance of trade, and the result was that India was able to accumulate a large store of gold. But, during the last five years, what has happened? A considerable proportion of this store of gold has been drained away. The Honourable the Finance Member says, and my Honourable friend, Mr. Sanjiva Row, repeats it, that this is not distress gold. I take them at their word. If it is not distress gold, then there would be no hardship if we levy an export duty on this gold. You cannot have it both ways. With one breath you say it is not distress gold, and with another you say it will be a hardship on the people, who export gold, to levy an export duty on it! India is in need of money, in very urgent need of money. Provincial autonomy, or what is known by the name of provincial autonomy, will be established soon. The provinces will require greater expenditure. Why then, do you not levy an export duty on gold at a very moderate rate, say, at the rate of ten per cent.? During the last five or six years, India has exported gold to the extent of Rs. 265 crores. (*An Honourable Member*: "275 crores".) I stand corrected. I do not remember the exact figure, but it is a detail. The average rate of export is something like 50 crores a year. If you levy an export duty on gold at the rate of ten per cent. during the next year you will be able to improve the finances of the country by something like Rs. 5 crores. That will not be a very small gain. The Honourable the Finance Member said last year that gold is a commodity like other commodities. If this were so, then his own country, England, would not have been so anxious to preserve her gold stores, and other countries also would not have been so anxious to preserve their gold. Whatever that may be,—the Honourable the Finance Member said that the people of the country are deriving large profits from this export of gold. Profits, as every economist will tell him, are a proper subject for taxation, and I would, therefore, urge him to levy a tax on the export of gold.

The Honourable Sir James Grigg: Even when the profits are made by the agriculturist selling his ornaments?

Prof. N. G. Ranga: You admit it then?

Dr. P. N. Banerjea: Does this gold come from the pockets of the agriculturists? Are they in such a flourishing condition that they can afford to send away their gold? If this be so, it is distress gold; you cannot have it both ways. I agree with you that the whole of it is not distress gold, and, therefore, I urge you to levy an export duty on the commodity.

Now, coming to the question of recovery, my Honourable friend says that India is well on the road towards recovery. But what have the Government of India done to promote recovery in this country? Compare the activities of the Government of India with the activities of some of the other countries,—United States, England, Germany, France, etc., where serious attempts have been made to bring the depression to an end. In India, practically nothing has been done.

An Honourable Member: Nothing will be done.

Dr. P. N. Banerjea: And what do we find? The present position is that, in most of the countries of the world, unemployment is on the decrease. I asked a question on this subject the other day, and I pointed out that India does not appear on this list which was published by the League of Nations. Then, I asked: "Is it a fact that in India unemployment has increased", and the answer was "Yes". So, the position is that, in India, unemployment has increased, whereas, in other countries, unemployment has decreased. I will not discuss the steps which have been taken in other countries to cope with unemployment. This was temporary unemployment, and it was met by various temporary measures. One of the most important of these measures was the construction of public works. The Government in India ought to have done the same. But unemployment in India is not a temporary phase; it is a permanent condition. Now, how are you going to remove this permanent condition? Well, we can do this only by industrialisation. To me it does not seem that there is any other way open.

If we read the history of India since the commencement of British rule, what do we find? We find that there is a melancholy tale regarding the economic and financial injustice done to India, and this melancholy tale has been told a hundred times, and even more, not only by Indians, but also by Englishmen. I will not repeat this tale, but this much I will say that if the Honourable the Finance Member wishes to acquaint himself with the financial and economic history of India during the last 200 years, he will find many books in which a true account is very carefully given. (Interruption.) I could have myself given him some of my books. I admit that in recent years there has been some change in policy. The Government, a few years ago, adopted the policy

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of discriminating protection, and the application of this principle has helped several industries. But if we examine very carefully the methods of such application, we find that the policy has not been carried as far as it ought to have been, and there have been many omissions. So far as small and cottage industries are concerned, they have been ignored almost entirely, and, in some cases, the interests of the small industries have been adversely affected. I would ask the Government, therefore, to adopt a policy of industrialisation, that is to say, adopt a policy of development, not only of large scale industries, but also of small-scale industries and cottage industries. I have already admitted that tariff protection has been given. But tariff is not the only form of protection that can be given to industry in this country. There are various other ways in which encouragement may be given to industry. Pioneering would be one such form. Guaranteeing a minimum rate of profit would be another. Purchase of stores would be a third, and the financing of industries would be the most important of all. If the Government adopt such a policy, a great change will occur in no time.

Sir, I have not had time to touch some of the points which I wanted to deal with, and I wish to discuss a few of them now. With regard to gold export, I wish to point out that such export is necessary, because of the huge amount of home charges which this country has to meet. These home charges consist of various items, but the most important among them consist of pensions and leave allowances of officers, both military and civil, and the interest on debt. Now, it is these home charges which make it incumbent on us to export gold. In the years before the economic depression of 1931-35, India met these home charges by sending an excess of exports over imports, but the situation has now changed. What has to be done now? It is absolutely necessary that the Home charges should be held in check. Greater Indianisation would go a long way towards reducing the home charges, and a reduction in pensions and pay of British officers would also work in the same direction. A further step will also have to be taken, and that will be to float more largely loans in India. If gradually the foreign debt is paid back by means of internal loans, India will ultimately be able to free herself from the stranglehold of British capital. This has a political as well as an economic bearing, and I hope this matter will receive consideration.

One word more, and I have done. India presents the unique spectacle of a poor people in a rich country. There are few other countries, I believe, where a simliar spectacle could be observed. But India has not always been poor. If India is poor today, what should we do? It is incumbent on us to find out the causes of this poverty and to apply the proper remedies. The people and the Government must combine in order to find out the causes and to apply the proper remedies. Will the Honourable the Finance Member take the first step in this matter? He will perhaps say that he belongs to the orthodox school and according to the orthodox school, *laissez-faire* is the best policy. But although he was at one time a member of the orthodox school, I invite him to expand his vision and to see that orthodox economics is not suitable to the present circumstances of India.

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

Sir, only yesterday, I was reading a new book by one of the greatest economists of his own country. It is the latest book by John Maynard Keynes, and it is entitled "General Theory of Employment, Interest and Money". Mr. J. M. Keynes was brought up in the traditions of the orthodox school, but he now finds that these traditions do not suit him, and he says that the tacit assumptions of the exploded classical theory are seldom or never satisfied, with the result that it cannot solve the economic problems of the actual world. I ask the Honourable the Finance Member to mark these words—it cannot solve the economic problems of the actual world. I invite him to extend his vision and to take a more reasonable view of the circumstances of India. Mr. Keynes further points out that it is necessary for Government to expand its activities in the direction of giving assistance to industry and trade. So, if an orthodox member of the classical school has come round to this view, I hope and trust that it will not be long before our Finance Member also turns his attention to the realities of the problem and changes his views. But whether he does or not, we have a duty to perform, and let this House make it clear to the Government that the time has come when a new orientation of Government policy is needed, and that unless that is done, there is bound to be confusion and chaos in the country.

Mr. Ghanshiam Singh Gupta (Central Provinces Hindi Divisions: Non-Muhammadan): There have been shots and countershots in this battlefield of cushions and armchairs, and I was watching, as a villager, as to who has lost the game and who has won it. Up till now, it was very difficult for me to decide as to who is going to win and who is going to lose. But one thing is certain that it is the Indian villager that is really going to lose the battle, and it is this mighty Government that is going to win it! There have been arms and ammunitions, some drawn from the old armoury and some from new ones, but the net result is the same and will continue to be the same—that this mighty Government will win and the villager will lose. In the name of the villager, I have to say this that although I noted great learning, erudition and book authority, there was one thing that struck me, more particularly about my Honourable friend, Mr. Sanjiva Row, that he does not know the villager. At any rate, he does not know what the villager is suffering from. He has drawn his conclusions in the sort of way given in a story in the *"Pancha-Tantra"*. Sir, there was a jackal which was caught, and that jackal used to be given blows, because the jackal was eating in the fields of a cultivator. Another jackal came and inferred from its face, "Oh, you are very very thick, you are very fat, what do you eat?" The inference that he drew from his body is just like what our Pandits are drawing when they draw inferences from their statistics, and when they say: "Oh, this is rising, and that is falling, therefore, there must be prosperity". Now, a brother-jackal saw the fat jackal and said: "Look here your cheeks are very very fat, your hands are fat, you must be prosperous, and you must be eating very good things". Then, that jackal said: "Yes, very well, I am eating really fine things every morning and every evening, but I would only ask you to do one thing. Please come and untie my neck and tie yours, and you will then enjoy what I have been eating, and, afterwards, you will know, and you may also grow fat." He was probably, Sir, less clever than our friends opposite, and he got himself tied and let loose the other one. The next morning, when the cultivator came, he gave him a good beating. Then he said: "What are you doing, don't beat me." So, in the same way, my

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Honourable friends reading from certain figures are like the reading of that jackal from the face of the other jackal, that that fellow is fat and is very happy. He said, "This is how he was happy." So I will say the same thing. You should not merely draw your inferences from those books, but if you will please go and see the villagers, and I invite my Honourable friend to come and see the villager in the Chhattisgarh Division, and if he will come there, then the whole of your theories will be falsified. So, if you care to draw a really fair inference and a correct inference, you should go and see the villages and then you will find that either your data is wrong or your inferences are wrong. Sir, my Honourable friend has said: "Oh, there is such an amount of increase in investments in post office cash certificates and in savings bank deposits that no one can draw any conclusion other than this that the average villager is happier".

The Honourable Sir Nripendra Sircar (Leader of the House): He never said that.

Mr. Ghanshiam Singh Gupta: If he did not say that, I will withdraw my words, but what I understood him to say was—and he was speaking in a very low tone, and I wanted him to speak up as I am speaking just now—I understood him to say that the average villager was more prosperous, because there were bigger deposits in the savings bank accounts and there were more purchases of cash certificates, because, he said, the villager deposits his savings there in the post office. If he did not say that, I will stand corrected even by the Honourable the Law Member, but I would like that to come from his client himself, Mr. Sanjiva Row, that he did not mean it—rather than from his lawyer the Honourable the Law Member, because, so far as we laymen are concerned, we want these admissions to come not through a lawyer, and particularly when the client is present; if I am wrong, I should like to be told so by the Honourable Mr. Row himself. Anyway, the position is this. You cannot find four annas with an ordinary villager. You cannot find (except to a very small extent) money in an ordinary village. It is certainly true that there are accumulations in the banks and lack of money in the village. There must be some reason for that. Probably my Honourable friend, Pandit Govind Ballabh Pant, or the Honourable the Finance Member will be able to explain the reason, but I can only say, as one knowing a villager himself, what the actual facts are. But, before I go into those details, I must say one thing, because this is the time when we can have some heart to heart talk. Howsoever feeble my voice may be, howsoever ineffective my voice may be, and I also say that it may purely be technical, but I shall put one question, and that question is this. Sir, I question the moral right of this Government to tax the people of India. I can understand a Government taxing its people where it is the people's representative; I can also understand an autocrat taxing the people over whom he rules, if he is a benevolent autocrat, if he spends that money in the way in which it has been described by Kalidas:

"Prajánámeva Bhootyartham sa tábheo bali magra heet,
Sahasra gunā mutsrashtoom ádadtte hi rasam ravi.

Which means:

"King Raghu and others used to take from their subjects in order to give the latter much more; Sun takes from the earth in order to give it back a thousand fold."

(Hear, hear.)

Now, if an autocrat takes money and spends it for the welfare of the people, then, of course, he has a moral right to take it. Therefore, howsoever my voice may be feeble, and I know that it is very feeble (*Voices*: "No, no"), howsoever my voice may be ineffective, and I know it is very ineffective (*Voices*: "No, no"), and howsoever the question may be technical, and I know it is very technical, I question the right of this Government to tax the people of India. Now, why do I question it? Sir, I am not a hater of autocrats. If I were free, I would love to be under an autocrat who swore allegiance to the people of India, but I would not like to be under even a democrat who swears allegiance to some other country. Then I may be asked, why do I put this question? It is because this Government has been most callous to the villager, to the agriculturist. Oh, how much they have taken from him!

There is one point, Sir, to which I want particularly to draw the attention of this Government, and it is this, that after 1902, after Lord Curzon's Government, there has been no all-India land revenue policy, and, in the absence of an all-India revenue policy, whereby the average agriculturist, the average villager, may be profited, we find, Sir, that there has been a lot of misery in the villages. Now, I can assure this House of a particular tract which I know intimately, Chhattisgarh. Sir, there is literally no water there; out of a hundred villages, I say, it is very difficult to find in, say, fifty villages any decent, drinking water, or even in thirty villages.

An Honourable Member: That subject is provincial.

Mr. Ghanshiam Singh Gupta: My friend says: "that subject is provincial", and he thinks, therefore, that I need not talk upon it. But, Sir, if I cannot get pure water to drink even, then what is the good of this Government?

An Honourable Member: What is the size of a cow there?

Mr. Ghanshiam Singh Gupta: Sir, if you have ever gone there, you would have seen that it is less than a goat here in the yield of its milk; it is literally true. Sir, I was thunderstruck when I first came to Delhi. I was told that the cow here gives about ten seers of milk and the goat gives about two seers of milk. Now, out of a hundred cows in Chhattisgarh Division, you will not be able to pick up two or four which will give two seers of milk in the whole day. The Government have been most anxious, they say, to improve the agricultural condition of the villagers . . .

Pandit Lakshmi Kanta Maitra: And what is the size of the goat?

Mr. President (The Honourable Sir Abdur Rahim): Will the Honourable Member finish his speech now?

Mr. Ghanshiam Singh Gupta: No, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Very well.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, the report of the Select Committee on the Delimitation Committee Report has been presented this morning, but some Honourable Members of the Committee did not have

5 P.M.

[Mr. Akhil Chandra Datta.]

the opportunity to sign the report at that time. May I, Sir, have your leave and the leave of the House for this report being signed by those Honourable Members here present now?

Mr. President (The Honourable Sir Abdur Rahim): Under the exceptional circumstances of this case, the Chair will raise no objection, if the House agrees, that the Honourable Members, who have failed to sign the report, may sign the report here at the Secretary's table. The report is already in the possession of the House, and the Chair cannot, therefore, allow any additions to be made to it, in any way, without the leave of the House. Is it the pleasure of the House that Honourable Members who have not signed the Report may be allowed to sign it now?

Several Honourable Members: Yes, yes.

Mr. President (The Honourable Sir Abdur Rahim): Those Honourable Members who have not signed the Report may do so now.

Mr. Akhil Chandra Datta: There is another matter that I wish to bring to your notice. My Honourable friend, Sir Muhammad Yakub, is not here just now. As a matter of fact, he has put his signature to another copy of the same report which is exactly identical and which is in my possession. I have got his signature in that copy.

Mr. President (The Honourable Sir Abdur Rahim): That copy can be put in. Those Honourable Members who have not signed the Report may now come to the Secretary's table and put their signature to the Report.

(The Report was then signed.)

The Assembly then adjourned till Eleven of the Clock on Thursday, the 19th March, 1936.

APPENDIX.*

We, the undersigned members of the Committee appointed by the Legislative Assembly to consider the Indian Delimitation (Hammond) Committee's report, have carefully examined the proposals of that Committee. Our criticisms and recommendations are confined to the specific points dealt with in the following paragraphs:—

Single versus *multi-member constituencies.*

2. In view of the fact that the franchise will be extended to a large proportion of electors inexperienced in the exercise of the vote we welcome the acceptance of the principle that single-member constituencies should be the rule and multi-member constituencies the exception. We do not accept the Hammond Committee's recommendation for multi-member constituencies in the provinces of Madras and Bombay generally, except in the cities of Madras, Ahmedabad and Bombay and except where reservation is necessary for Scheduled Castes, Mahrattas and the Backward Classes.

The representatives of Sind and Orissa are of opinion that, considering the size of the constituencies, single-member constituencies should be replaced by multi-member constituencies in those provinces.

If multi-member constituencies are retained in the provinces of Madras and Bombay, we recommend that similar constituencies be constituted in the Provinces of Sind and Orissa, provided that the method of voting in such constituencies is the method of distributive and neither the cumulative nor the single non-transferable vote. In fact, we would strongly advocate this method of voting in all multi-member constituencies including those constituencies where seats are reserved for Scheduled Castes in accordance with the Poona Pact except in the cities of Madras, Ahmedabad, Bombay and Karachi. Though we should have wished for the election of a representative of the Scheduled Castes to be by distributive vote in those cities also since this method of vote is more in accord with the spirit of the Poona Pact, nevertheless having regard to the practical difficulties the cumulative vote has to be accepted for these cities but must be restricted to them alone.

Urban versus *Rural.*

3. It is necessary at this stage to call attention to a proposal of the Hammond Committee which appears to have dealt unfairly with the case of the United Provinces in the matter of adequate urban representation in the provincial Legislative Assembly. In paragraph 117 of their Report the Committee recommend the allocation of only 13 general seats to urban constituencies out of a total number of 140 seats. Not only does the proportion of seats which is now being allotted to urban areas compare unfavourably with that allotted to the existing Legislative Council but the voting strength of urban areas has also increased by about 50 per cent. and several new towns have been added to the urban category.

* *Vide* page 2751 *ante*.

Another instance of glaring inequality appears in the case of Sind where, despite the stress laid by the Hammond Committee on achieving a reasonable balance between the interests of town and country, only 2 urban seats have been proposed for the Muhammadans out of a total number of 33, and that only in the Karachi City. In making such a recommendation the Hammond Committee have completely ignored the vast Muhammadan urban population in the districts of Hyderabad and Sukkur. By tacking on the legitimately urban areas to rural areas they would keep out the greater proportion of the intelligentsia resident in the cities.

We have no doubt that these two obvious inequalities will be redressed in the light of these criticisms.

Women.

4. The Hammond Committee propose the allocation of all seats reserved for women in provincial Legislative Assemblies to special constituencies. There is however one small matter which owing to the intensity of feeling on the point we should be reluctant to overlook. This is in regard to the extent of the women's constituency in Assam. In deference to popular feeling and on the merits of the case we recommend that the constituency for women in Assam should comprise the towns of Gauhati, Sylhet and Shillong.

Landholders.

5. The representatives of certain provinces have brought to our notice the high qualification in respect of the payment of land revenue which is proposed for voters for the landholders' constituencies. We are satisfied that the rates of land revenue are excessive and we recommend their reduction: in the United Provinces to Rs. 2,500 land revenue, in Madras to Rs. 1,500 land revenue, in Bihar to Rs. 2,000 land revenue *and/or* Rs. 500 cess; and a proportionate reduction in Orissa.

Commerce.

6 (*a*). The suggestions for the rules to govern the qualifications of electors in the commerce constituencies in the Provincial Legislative Assemblies are set out at page 177 of Volume I of the Hammond Committee's Report.

According to these suggestions a person (including a firm) would be qualified to be included in the electoral roll of a commerce constituency (i) if his name is included in the list of members of the Chamber forming such a constituency and (ii) if he is engaged in trade and possesses a paid up capital of not less than Rupees one lakh. This suggestion may cause difficulty in the case of some business houses carrying on business in India from exercising the vote. We accordingly recommend the inclusion of a suitable provision in the rules that the paid up capital should not be less than Rupees one lakh or its equivalent in any other currency at par of exchange.

(*b*) One seat has been allotted under the Government of India Act to Commerce and Industry in the newly constituted province of Orissa. The Local Government recommended that this seat should be filled by the Orissa Chamber of Commerce, but the Hammond Committee doubted the advisability of allotting the seat to a body which had either not come into being or was in the process of formation. We have carefully considered the claim of this Chamber which came into existence in the year 1931 and has been endeavouring to serve the needs and to promote the commerce and industry of the province. Its claim to recognition is, in our opinion, sound and we support the proposal of the Local Government for the allotment of the Commerce seat to this Chamber.

(*c*) We have also considered the claim of the Bengal Mahajan Sabha to one of the Commerce seats in Bengal. This organisation is at present represented both in the Bengal Legislative Council and the Central Legislature; the Local Government did, in fact, recommend the continuance of this representation. We are averse as a general principle to disfranchising an existing constituency. We therefore recommend that the representation of this Sabha should be maintained and that this may be effected by giving to it one of the additional Commerce seats in Bengal allotted to the Indian Tea Association or to the Calcutta Trade Association.

(*d*) We recommend also that—

(1) The United Provinces Chamber of Commerce;

(2) The Merchants Chamber, United Provinces; and

(3) The Indian Chamber of Commerce, Punjab, should be included in the electorate for the seat allotted to the Northern India Commerce in the Federal Assembly.

Residential qualification of candidates.

7. We are unanimously of the opinion that there should for the new constitution, be only one residential qualification for candidature, that is, a candidate should reside or have a place of business in the province. So long as he is registered as an elector on any electoral roll of the province and not otherwise disqualified he should be eligible to contest any seat in the province.

Labour.

8. (*a*) We regard it as of importance that the Trade Union Movement in India should be fostered and encouraged. With this object in view we recommend generally the reservation of more labour seats for registered trade unions provided the unions satisfy the tests laid down by the Hammond Committee with this variation that unions need not have been in existence for more than six months.

(*b*) In Assam we recommend that one of the four labour seats should be given to non-plantation workers especially those in the collieries, oil fields and the railways.

(*c*) Regarding plantation labour in Assam we suggest the removal of restrictions both as regards the franchise being conferred on certain castes or tribes only and the residential qualification. We propose the extension of the right to all workers on the plantations, whether residing there or not and regardless of caste or tribal or residential considerations.

(*d*) We consider it essential also that sardars and other members of the supervisory and recruiting staff in Assam as elsewhere should be disqualified from being candidates for the labour seats.

(*e*) We are unable to accept the Hammond Committee's recommendation that for indirect elections, whether in a trade union or unorganized labour constituency, the electoral roll must be prepared by the employer whether the Manager of a railway, a mine or a factory. In all cases the preparation of the electoral roll must be undertaken by the Government and the responsibility should not be shared with anyone else.

Qualifications of electors for the Federal Legislature.

9. There is a strong demand for the lowering of the qualifications of voters for both Chambers of the Central Legislature from Delhi and Ajmer-Merwara as also from the Council of State from Orissa. The Committee see the reasonableness of the demand but as His Majesty's Government, in White Paper published on 1st October, 1935, have already set out the qualifications which they propose to recommend to Parliament, the matter is for His Majesty's Government to decide.

Income-tax qualification.

10. In paragraph 430 of the Report the Hammond Committee recommend that a rule should be enacted, that the income-tax authorities, if so desired by the assessee, should indicate on a receipt granted to him the amount of income derived from trade, commerce or industry on which he has been assessed to income-tax. We have considered this proposal and would advise that the declaration by the income-tax authorities should not disclose the actual figure of income but should only indicate that the income is sufficient to entitle the assessee to be placed on the electoral roll.

The electoral roll.

11. We consider that every possible facility should be afforded by the registering officers to all classes of enfranchised voters whose names are to be brought on the electoral roll on their own application. The officers charged with the preparation of the roll should make it a point while preparing the rolls for other kinds of voters to obtain applications from all who are required to apply.

We are also of the opinion that permanent revising authorities should be appointed to maintain the electoral rolls entirely up-to-date.

Filing and scrutiny of nomination papers.

12. The filing and scrutiny of nomination papers and the decisions to be taken on any matters connected with them should, in our opinion, be entrusted to civil judicial officers only.

Secrecy of the Ballot.

13. We have given the closest consideration to the recommendation made in paragraph 740 of the Hammond Committee's report. We feel strongly that this recommendation is destructive of the true principle of voting by ballot and the freedom of the vote. The endeavour of all advanced constitutions is to preserve the freedom of the vote: the result of getting the ballot paper marked by or shown to another individual is to destroy this freedom. It will be particularly irksome under the new order when owing to a large increase in the number of voters it will be necessary to seek the assistance of all sorts of literate Government officials and others irrespective of their status or position, for meeting the heavy demand of election and polling. We attach the greatest importance to the secrecy of the ballot and recommend that the system of voting by means of coloured boxes with or without symbols should be uniformly adopted. We consider further that the place screened for voting should not be attended by any person other than the voter himself. It should be open to an officer appointed for the purpose to enquire from any voter on his return from the spot screened for polling if he had used his ballot paper, and in case of doubt to satisfy himself on the point. Should a voter intentionally leave the voting chamber without surrendering his ballot paper he should be rendered liable to punishment.

Polling arrangements for women.

14. The polling booths should, we are of opinion, be so arranged as to ensure satisfactory *purdah* arrangements for women voters. As far as practicable, the polling officers and other staff should in their case be women only.

Postal voting.

15. The system of postal voting is not conducive to the secrecy of the ballot and we accordingly recommend that, except in the case of European and Anglo-Indian constituencies, where it is particularly desired, such a system should not be introduced.

Nominated seats.

16. Under a system of responsible government nomination is clearly ruled out. We are accordingly of the opinion that with the exception of

the Federal Council of State and the Provincial Legislative Councils where nominated seats have been provided by the Government of India Act no seats should be set aside for nomination. The four seats to be filled in by nominations in the provincial Assembly of Orissa should be filled by election.

University seats.

17. The condition about registration of Graduates for the University franchise is entirely unacceptable to us. We recommend that registration be dispensed with and that every Graduate of five years' standing or more should be entitled to vote.

Miscellaneous.

18. We recommend that one more seat be assigned to Almora in the United Provinces Lower House from another constituency such as Pilibhit or Unao.

We also recommend that the Assam Government's proposal regarding the distribution of the Muslim seats between the Surma Valley and the Assam Valley in the proportion of 22 to 12 for the Lower House in the Provincial Legislature be accepted.

We deprecate the suggestion contained in paragraph 281 of the Hammond Committee's report with reference to the scheduled caste primary elections that "executive orders might well be issued to District Officers to encourage and facilitate candidature, where this was thought necessary", and also the suggestion made in the same paragraph in regard to discouraging withdrawals.

Conclusion.

In conclusion we need only observe that although we have scrutinised the Hammond Committee proposals with the utmost care, we have purposely refrained from suggesting alterations in matters of detail except in a few isolated instances where the danger of grave injustice was apparent, we have confined our attention only to the larger issues and particularly those in which questions of principle were deeply involved. Nor should it be thought that we have acted in excess of the powers conferred on us by venturing criticism on matters which relate *prima facie* to the provincial sphere. The provincial legislatures are to form the electoral colleges for

providing candidates for the Federal Assembly and any proposals which are likely to affect their composition automatically affect the Federal Assembly.

*A. C. DATTA.

*MATHURADAS VISSANJI.

*K. L. GAUBA.

*M. S. ANEY.

*N. M. JOSHI.

*S. SATYAMURTI.

*M. C. RAJAH.

*M. ASAF ALI.

*†GHULAM HUSSAIN HIDAYATALLAH.

†MANGAL SINGH.

G. B. PANT.

*ABDUL MATIN CHAUDHURY.

‡COWASJI JEHANGIR.

*BHULABHAI J. DESAI.

‡L. HUDSON.

*NILAKANTHA DAS.

‡HENRY GIDNEY.

‡MUHAMMAD NAUMAN.

*MOHD. YAKUB.

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* Subject to a supplementary note or notes.

† Subject to a minute of dissent.

‡ Subject to a note.

NOTES.

PROPOSAL FOR THE MODIFICATION OF THE RECOMMENDATION OF THE INDIAN DELIMITATION COMMITTEE, REGARDING THE METHOD OF VOTING IN PLURAL-MEMBER CONSTITUENCIES WHERE RESERVATIONS ARE MADE FOR THE SCHEDULE CASTES.

I have already explained my views on the recommendations of the Committee which relate to the Scheduled Castes, when I made a speech in the Indian Legislative Assembly on the motion that the Indian Delimitation Committee Report be taken into consideration on the 6th March, 1930. I am, however, submitting this short note to bring out the main points that in my opinion deserve to be considered by Government.

The main objects of the Poona Pact are to prevent any division in the Hindu community and to preserve Hindu solidarity by keeping the Scheduled Castes within the Hindu fold.

The Poona Pact necessitates the reservation of seats for Scheduled Castes in General Constituencies. The Primary Election is intended to obtain candidates of their own choice,—candidates whom they have themselves first approved. This primary electorate is nothing but a separate electorate.

The final electorate is a joint electorate intended to give the caste Hindus a voice in the final election of the Scheduled Caste candidates, and the Scheduled Castes a voice in the election of the caste Hindu candidates.

These are the fundamental principles of the Poona Pact. These cardinal principles should be borne in mind while adopting the sytsem of voting in the plural-member constituencies, where seats are reserved for the Scheduled Castes. So far as the single non-transferable voting is concerned, the Indian Delimitation Committee has rightly rejected this method of voting, saying that "its adoption at final elections, in constituencies in which seats are reserved for the Scheduled Castes, would be contrary to the spirit of the Poona Pact", as the essence of the Pact is "combination and mutual exchange". (Paragraphs 46 and 283.)

Rejecting the single non-transferable voting, the Indian Delimitation Committee recommends the system of cumulative voting. Cumulative voting obtains the same result as single non-transferable voting in a plural-member constituency. Multiple vote with cumulative power is same as single non-transferable vote. In cumulative system of voting the caste Hindu voters will plump their votes among caste Hindu candidates and the Scheduled Castes voters will plump their votes amongst the Scheduled Caste candidates and this virtually will become another separate electorate—a double distilled separate electorate. Where there are more candidates than one belonging to the caste Hindu or Scheduled Caste, or belonging to the same group or party, this system will produce an uncer-

tain element. This will bring about cleavages in the Hindu community. Both single vote and cumulative vote will perpetuate caste, communities, and communalism; and communal strife and communal feeling and class antagonisms will develop and increase.

It is argued that this system of voting will secure minority representation in the Legislature. It should be noted that protection for minorities has been afforded by provisions of the Government of India Act, with reservation of seats for women, the Scheduled Castes, Muslims, Sikhs, Anglo-Indians, Europeans, Labour and for the backward classes. So, special protection to minorities within the Hindu fold is not needed at all, for that will further divide and disintegrate the Hindu society.

The cumulative system of voting, as pointed out by the Madras Government in their G. O. No. 355, dated the 19th August, 1935, is a complicated method of voting. Cumulative method of voting will lend itself to new forms of corruption, inasmuch as a candidate will be permitted to canvas not only for one vote but for more than one vote, for as many votes as a voter can give. It will be a greater incentive to the voter to sell his votes and a greater encouragement to a rich man to buy up all the votes. Thus, it will be seen that this system of voting will just open the door for corruption on the part of the moneyed candidates to bribe the Scheduled Caste voters to plump their votes in their favour. The chances of a Scheduled Caste voter parting with his votes to a caste Hindu candidate for some consideration will be greater when he has more votes to give, and the tendency to tamper with his votes on the part of the caste Hindu candidates will also be greater. In no event will the Scheduled Caste seat be lost as it is reserved for a Scheduled Caste candidate, but the best and the ablest candidates will not be returned. With a seat guaranteed to the Scheduled Caste corruption will be resorted to safely. I trust that the Government will not be a party to breeding an endless possibility of corruption by the Cumulative system being recognised. Corrupt influences prevail in all systems of election, but the scope for corruption will be the least in Distributive voting. The Distributive system of voting is the best suited for the Scheduled Castes. This system of voting is in practice throughout India, except Bombay. Our men have been accustomed to this system of voting for the past sixteen years. This is the system in vogue in elections to Local Boards also in my Presidency. The Scheduled Castes have reservation of seats in joint electorate for District Boards, Municipal Councils, and Panchayat Boards, and they had this system even in Taluq Boards when they were in existence, and the system works admirably well. There are even instances where Scheduled Caste members who have been returned to Local Bodies by this method have been elected as Presidents and Vice-Presidents of some of these Bodies. Moreover, under this system of election, there is much scope for compromise between groups or parties and for preserving stable government.

M. C. RAJAH.

NEW DELHI;
The 14th March, 1936.

A NOTE ON THE DISTRIBUTION OF SEATS IN THE ASSAM LEGISLATIVE ASSEMBLY BETWEEN THE MUSLIM CONSTITUENCIES OF SURMA VALLEY AND ASSAM VALLEY.

In their report the Indian Delimitation Committee makes the following observation with regard to the political situation in Assam, under the heading the rival claims of Assam and Surma Valleys: "The second question impressed us as the question of vital importance in the delimitation of territorial constituencies in Assam. A rivalry of long standing into the historical reasons for which it is unnecessary to enter divides the two valleys in one or other of which, practically all of Assam is situated, which is not an excluded or partially excluded area. So acute is the rivalry that it transcends communal and caste differences; the line of division in Assam politics is primarily not between Hindus and Muhammadans or on caste lines but between the inhabitants of Assam Valley and Surma Valley." In the light of this fairly accurate appreciation of the political situation in Assam the question of distribution of seats between the Surma Valley and the Assam Valley in Provincial Assembly acquires added importance.

Under the Communal Award 34 seats have been allotted to the Mussalmans in the Assam Legislative Assembly. According to population basis the Mussalmans of Surma Valley are entitled to a little over 22 seats and those of the Assam Valley a little below 12. The majority of the Provincial Franchise Committee recommended (Sylhet members dissenting) that 13 seats should be allotted in the Lower House to Assam Valley and 21 to Surma Valley. This recommendation was backed up by a Resolution in the Assam Council where Surma Valley members are in a minority. The Local Government held the view that it would not be correct to deprive Surma Valley of a seat to which it was actually entitled on population basis. They proposed to the Delimitation Committee to allot 12 seats to the Assam Valley and 22 to Surma Valley. But contrary to the recommendation of the Local Government the Delimitation Committee have allotted 13 seats to Assam Valley and 21 to Surma Valley—a decision which has caused widespread discontent and dissatisfaction among the Mussalmans of Surma Valley.

If we take up voting strength as a criterion according to Local Government's proposal 198,000 Muslim voters in the Surma Valley were allotted 22 seats, with an average voting strength of 9,000 for each constituency while the Assam Valley Muslim voters numbering 72,000 were allotted 12, the average for each constituency being 6,000. Even in the Assam Government's proposal the scale was weighted in favour of the Assam Valley and the Delimitation Committee has gone one better by allotting another extra seat to that much favoured territory. The result has been that 15,000 Muslim voters in Kamrup District in Assam Valley have secured three seats and to facilitate the bestowal of this generous gift the Delimitation Committee have combined into a Single Constituency the Habigunj and Nabigunj thanas—which formed two separate constituencies according to the Assam Government's proposals—with a total voting strength of 16,000, numerically the highest Muslim Constituency in the Province. It may be noted that in Assam Valley Muslim Constituency has been formed with as low a voting strength as 2,000. This recommendation of the Delimitation Committee means not only a grave injustice to the Habiganj-Nabiganj Constituency in the Sylhet District but it also places the Surma Valley Mussalmans at a comparative

disadvantage *vis-a-vis* the Mussalmans of Assam Valley and weakens their position in the Provincial Assembly.

This unfair allotment of extra seat has been sought to be justified on the ground of growing population of Assam Valley. While during the years 1921—31 the Muslim population in Surma Valley increased by about 2 lakhs in Assam Valley the increase was in the neighbourhood of 3½ lakhs a difference hardly justifying departure from the normal considerations of population basis. The basis of allotment should be present actual population and not hypothetical conjectural position in years to come. The percentage of increase given by the Hammond Committee is misleading inasmuch as on percentage basis even a large increase amongst larger population is dwarfed by small increase in small population. We therefore recommend that the Assam Government's proposal of 22:12 be accepted as between Surma Valley and Assam Valley.

ABDUL MATIN CHAUDHURY.

MUHAMMAD YAKUB.

GHULAM HUSSAIN HIDAYATALLAH.

S. SATYAMURTI.

N. M. JOSHI.

HENRY GIDNEY.

M. C. RAJAH.

M. ASAF ALI.

MATHURADAS VISSANJI.

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1. Re-adjustment of seats.

Urban areas are abode of intelligentsia and deserve more seats. Specially Patna, the capital of Bihar is centre of learning, culture and wealth and has better claims as compared to less important districts in Bihar like Purnea district. Muhammadan Urban Patna division should be given 3 instead of 2 and Patna Rural Muhammadan should have 3 instead of 2 as proposed. Under Chelmsford-Montague Reform, Patna Rural and Urban possess 3 out of total of 18 Muhammadan Members in existing council and I propose Patna should be maintained on same ratios when seats have been increased from 18 to 40 Muhammadans.

2. Landholders' Constituency.

Landholders' Constituency in Bihar should be created a Multi-member constituency. Muhammadan Landholders who are a minority in province have no chance of representation without this and I propose method of voting to be "Plural Voting". In the Punjab this view point of insuring Minority Landholders representation has been accepted by Delimitation Committee and I rely on same arguments for Bihar Muhammadan Landholders.

3. Commerce qualification.

The mere fact of membership of a Chamber should be considered real qualification for Commerce seats through Chamber and this privilege of Chambers should not be interfered with. If qualification criterion has at all to be fixed I think it should be Rs. 25,000 paid up capital of Registered companies and payment of Income-tax on Rs. 2,500 within 5 years. In the interests of smaller traders this protection of lowering the qualification is essential and necessary.

Relying on the Evidence embodied in the Delimitation Committee Report, Volume III, page 174, I think Muslim Chamber of Commerce, Calcutta, the only Muslim Organisation of importance should be given one separate seat in Federal Assembly. If this be not possible I propose an electoral college of 26 members of following Chambers and Associations for returning 3 members to Federal Assembly and creating this Commerce Constituency a Multi-member constituency.

(1) Bengal Chamber of Commerce	5
(2) Indian Jute Mill Association	5
(3) Muslim Chamber of Commerce	4
(4) Indian Chamber of Commerce	4
(5) Bengal National Chamber of Commerce	4
(6) Marwari Chamber of Commerce	4
	26

This will not at least eliminate chances of Muslim representation which it does in the present proposed electoral college.

MUHAMMAD NAUMAN.

The 17th March, 1936.

There are many discrepancies in the grouping of urban and rural constituencies in the report and no one can dispute that there is considerable room for improvement. I will cite here one or two instances. I find that in the United Provinces Muhammadan Urban constituencies Nagina is grouped with Meerut, Hapur, Bulandshahr and Khurja. This arrangement is unfair to Nagina as well as to Meerut. Particularly the former loses its importance in this grouping. Similarly the important town of Sambhal has been wronged by its being grouped with the distant-lying

cities of Budaun and Shahjehanpur. Under these arrangements it will not be possible for Muslims of Nagina or Sambhal to succeed in securing a seat for their representatives. When population of 44,000 are given a seat in the proposals it is not too much to expect that these two cities should be detached from these larger combinations and grouped with adjoining cities in a manner that the importance of these two cities is not jeopardised. I strongly appeal for a regrouping of urban constituencies to secure this end.

MUHAMMAD YAQUB.

A SUPPLEMENTAL NOTE ON MULTI-MEMBER *vs.* SINGLE-MEMBER CONSTITUENCIES IN MADRAS.

In principle, we are in favour of single-member constituencies. They help the poorer candidate, help to establish intimate contact between the member and his voters, and help the formation and growth of well-defined political parties.

But, we recognise that in the present state in India, single-member constituencies may do some harm by helping to promote sub-caste or sub-communal feeling. We also recognise that public opinion in the Province, and the Hammond Committee acting on that opinion favour the creation of about 30 multi-member constituencies besides those considered necessary by the Poona Pact. But we understand that in all multi-member constituencies, the system of cumulative voting recommended by the Hammond Committee may be accepted by His Majesty's Government. We unhesitatingly prefer single-member constituencies, to multi-member ones, with the system of cumulative voting. We would prefer, if we can get it, for some time in Madras, multi-member constituencies with the distributive system of voting. Since we cannot have them, we prefer single-member constituencies.

S. SATYAMURTI.

M. C. RAJAH.

Proposals regarding Labour.

1. In addition to the proposals made by the Committee regarding labour I make the following proposals:—

(A) *The distribution of seats between Trade Union and special labour constituencies should be as under:*—

(1) All the seats in the Federal Assembly except the one in Assam should be assigned to Trade Union Constituencies.

(2) (*a*) In regard to the distribution of labour seats in Provincial Assembly I propose the allocation of at least one more seat to registered trade unions in Madras, namely those in the City of Madras and the Districts of Chingleput North and South Arcot. I also suggest the inclusion

of Madura and Tinnevelly Districts in the special labour constituency of the textile workers in Coimbatore and Malabar.

(*b*) In Bengal I suggest the allocation of two more seats to registered trade unions—one more to Railway unions and the other to unions in Calcutta and suburbs, other than those of Railwaymen and water transport workers. I suggest that the Calcutta special labour constituency should be converted into Trade Union constituency. I also suggest that the amalgamation of the two separate territorial labour constituencies of Barrackpore and Hooghly *cum* Serampore into one, the extra seat being given to Railway trade unions.

In Bihar, where only one seat has been proposed for trade unions, I suggest the addition of another, namely of Metal Workers' Union at Jamshedpore, in the place of the special labour constituency as suggested by Hammond Committee.

(B) *Qualifications of voters and candidates for labour seats.*

(*a*) Regarding the qualifications of voters and of candidates, I suggest the removal of the minimum limit of wages of Rs. 10 per month for the enfranchisement of workers. I also suggest the removal of the anomalous restriction in regard to Railway workers that only those resident in the province in which their union is registered should exercise the vote, since the majority of the great Railway systems in India run through more than one province.

(*b*) Any member or official of any registered Trade Union in a province should be qualified to be a candidate for a Trade Union or a special labour constituency. Otherwise the field for candidature will be extremely limited and many deserving Trade Unionists will be unable to be candidates.

(*c*) I suggest that members of trade unions including their officials in Assam, Bengal, Bihar and Orissa should be permitted to offer themselves as candidates for the plantation labour seats in Assam and Bengal.

(*d*) I regard it as essential that sardars and other members of the supervisory and recruiting staff in Assam as well as elsewhere should be disqualified from being candidates.

(*e*) I do not accept the view that the Trades Union Act of 1926 needs any amendment of the kind proposed. It would be amply sufficient if the Tribunal to be appointed for assessing the membership of a trade union should also be empowered to examine the registers, account books and other relevant documents of registered trade unions for the purposes of the elections.

Other proposals.

2. My inclination is in favour of multi-member constituencies and cumulative system of voting.

N. M. JOSHI.

While I approve all the recommendations of the Select Committee, I think it my duty to make my position clear with regard to the observations and recommendations made by the Hammond Committee in regard to the distribution of seats between Berar and Central Provinces in paras. 187—199, Volume I of their report. The Select Committee was perhaps right in not going into this question and opening for fresh consideration the above recommendations of the Committee. They had neither the time nor the necessary materials before them, to come to any definite conclusions. But I am afraid that I'll be understood as having acquiesced in the recommendations of the Hammond Committee if I do not express my dissent from them in unequivocal terms.

Berar is allotted 29 seats out of a total number 112 for the whole province. Leaving aside 14 seats reserved for the special constituencies, and 34 seats for the two communal constituencies, *viz.*, the Muhammadan and the scheduled castes the total seats in the general constituencies available for distribution between Berar and C. P. were 64. The Delimitation Committee have allotted only 16 out of these seats to Berar which means 25 per cent. of the total number of seats.

The Committee observe in para. 197 "we accept as sufficient justification for the continuance of some degree of weightage. The fact in the first placed that Berar has consistently enjoyed a very substantial weightage since the introduction of legislative institutions in the Central Provinces. Secondly, we recognise that the franchise qualifications, embodied in the Government of India Act, do to some extent tend to militate agninst the raising of the electorate in Berar to the same relative standard as that in the Central Provinces. We are disposed finally to see considerable force in the contention that, by losing her special rights in regard to legislation, Berar is deprived of a privilege which has a definite value of its own, and the disappearance of which can reasonably be taken into consideration in connection with the allocation of representation in the new legislature." These observations in my opinion establish an incontrovertible case for weightage to Berar.

Now if we exclude out of the general population of C. P. and Berar all classes for which special representation has been provided by the Government of India Act, Communal Award and the Poona Pact, *viz.*, the scheduled castes, the Aboriginal tribes, Muhammadans, Anglo-Indians, and Europeans, the figure of the general population of C. P. and Berar stands approximately 11,887,000. Berar population excluding the above classes is but 1/5th and 4th of it. So the allotment of 16 seats out of 64 clearly means practically very little weightage to Berar for which the Committee themselves have made out such a strong case in the above observations.

Berar representation in the elected members of C. P. Council from 1911 to 1936 has always been almost one-third. Besides this Berar had several other safeguards such as its right to have its legislation by a Berar Legislative Committee and the Sim-Formula which was accepted by the Government. When all these safeguards are now being removed, there is a case for a much greater weightage than what was conceded to Berar in the previous constitutions. But the Delimitation Committee have not only not retained the old weightage but as I have shown above practically done away with the weightage altogether by reducing it to a very small figure. In my opinion the least the Committee should have done,

was to allot 21 seats out of 64 seats in the general constituencies besides the seats which are allotted to it in the special constituencies, which are not at all governed by considerations of numerical strength in the population. The total number of seats allotted to Berar would have thus been 34 and not 29. The demand of the Berar All Parties Committee was for 37. I think however that 34 would have been eminently equitable, and just to the parties concerned.

But the Delimitation Committee did not even accept the recommendation for 30 seats for Berar made by the Local Government and reduced the number to 29. Berar rightly feels it a great injustice done to her. The contribution of Berar to the provincial revenues is a little more than one-third. The total surplus from the Berar revenues during the last 32 years at an average rate of 60 lacs per year is over 19,20,00,000, without this surplus from Berar revenues C. P. cannot balance its annual budget. This therefore represents the amount of subvention made to C. P. by Berar, during the last 32 years; and it is called upon to share alone in future also the same burden, which ought in justice and equity to be shared by the whole of British India, just as in the case of Sind, N.-W. F. and Orissa. If Berar clamours loudly for an adequate and effective representation in the coming provincial Assembly, where the majority is interested in its exploitation no reasonable man can under the above circumstances regard her demand as extravagant or excessive. While every other minority in India, territorial, communal or vocational had more or less succeeded in being better off for the purpose of representation under the coming constitution in British India, Berar is the only province which failed to get the justice. Its claim for separation is turned down, its demand for even the retention of the *status quo* in the matter of representation is entirely disregarded.

M. S. ANEY.

17th March, 1936.

Qualification for Electors and Candidates.

I consider the qualifications prescribed by the Hammond Report (Volume I, Ch. 9, page 177), and accepted by the Assembly Committee appointed to consider this Report, to be retrograde, and against the best interests of the Commercial representation. The Hammond Report says:

> "A person shall be qualified to be included in the Electoral Roll of a Commerce, Industry, Mining or Planting constituency.....
> .....
>
> (i) if his name is included in the list of members for the time being in force of the Chamber forming such a Constituency. 'Person' shall include a firm, Hindu joint family, an incorporated company, or corporation.
>
> A firm or a Hindu joint family concern or an incorporated company or a corporation included in the electoral roll of a Commerce Constituency may nominate representatives, not exceeding three who shall be entered in the electoral roll of such constituency as such representatives, any one of whom, but not more than one, shall be entitled to vote for such firm, Hindu joint family, concern, incorporated company, or corporation.
>
> *Explanation.*—Such representatives shall be, in the case of a firm or Hindu joint family concern, any member thereof, or a person authorised by a power of attorney or letter of procuration to sign its name in the ordinary course of business, and in the case of an incorporated company or corporation, any director, managing agent, manager or secretary thereof, or a person authorised in its behalf by a power of attorney or letter of procuration to sign its name in the ordinary course of business.
>
> (ii) and if,
>
> (*a*) in the case of a firm, a Hindu joint family concern, or an individual, it or he is engaged in trade, commerce, commerce or industry, and in any one of the five income-tax years immediately preceding the preparation of the electoral roll has been assessed to income-tax on an income of not less than Rs. 10,000 derived from trade, commerce, or industry.
>
> (*b*) .....
>
> *Explanation.*—The word 'trade' shall be deemed to include Banking, Insurance and Transport.'

This qualification for electors and candidates is retrograde, and has been objected to by all commercial bodies themselves. The main reasons for these objections are:—

(1) The restrictive qualification for electors to the Legislatures will create a double set of membership for a commercial organisation, which will tend to create a needless cleavage and internal differences of a most undesirable character;

(2) The intentions of the Hammond Committee in providing such a restrictive qualification, *viz.*, that the candidate of such an organisation should be a man of status and experience, and should be able to speak with authority and knowledge on the matters concerning the commercial community, will not be served by this device. The authority of a Member representing such a constituency depends on the degree of confidence reposed in him by his constituency, and not so much on the size of his income. And as for knowledge, the actual experience of a particular business does not necessarily connote such a command of the general principles of national policy relating to trade, commerce and industry, which are the prime requirements for the satisfactory and efficient discharge of a representative's duty towards his constituency. Here, also, the size of an income, or even the source from which it is derived, may be no real indication of the extent to which the elector or candidate is really qualified for the purpose intended by the Hammond Committee.

(3) There might be a tendency, if these restrictive qualifications are insisted upon, for many of the present members of the commercial organisations forming constituencies to retire from membership,—especially those whose incomes are just on the margin. Rather than permit inconvenient inquiries about their incomes, people would prefer to withdraw themselves from such constituencies. If this tendency becomes emphasised, there may be a serious danger of the commercial constituencies becoming progressively less and less representative of the commercial community, rather than more truly representative as the Hammond Committee were persuaded to believe their recommendation would result in. Commerce and Industry Chambers would then tend to become closed corporations, with all the evils that such a state of things would imply.

(4) In older Chambers, particularly, there are members, who may have retired from active business, but whose experience of business conditions, and whose grasp of the main principles to regulate the national policy affecting these interests may be too great to be easily sacrificed, may become disqualified from voting or from being elected, under these restrictions. For their present income, for the last five years, may not be derived from any trade, commerce or industry, as required by the recommendation under discussion; and so they would not be entitled to vote at such elections, and much less to stand for election. This, too, would not be in the best interests of the commercial community themselves, let alone the demands of national solidarity.

(5) There has been, admittedly, such a severe and prolonged depression, that many individuals or firms may not have earned Rs. 10,000 from their trade, industry or commerce. They may nevertheless be interested intimately in all questions of commercial policy; and yet they would be excluded from the electoral roll, and from chance of offering themselves for election, however desirable they may be as representatives for such constituencies.

(6) There will be serious disputes on points of interpretation, as to the real meaning of these restrictions. If, in the case of Companies, Directors, Managing Agents, and Managers as well as Secretaries are to be entitled to vote,—and shareholders, as such, not so entitled, there may be the anomalous spectacle of the proprietors of a concern being disqualified, and their servants being entitled to vote. On the other hand, the mere receipt of dividends from a joint-stock Company of a size sufficient to come within these restrictions, does not necessarily suggest any real concern in the industry,—though it may be quite possible for rich individuals to obtain sufficient qualifying shares for such purpose, and so obtain the necessary qualification. It would place a premium on electoral manipulations, which may not be desirable from any standpoint.

Again, Secretaries and Managers may have very little knowledge of the broad policies affecting the business of their own concern in which they are paid officials; and much less could they be always expected to have any grasp of the principles of national policy concerned in such matters.

There are, moreover, Associations, who are members of older commerce organisations in their collective capacity, and who would presumably be treated as corporate members entitled, in respect of their collective income, to be on the electoral roll of such a constituency. The Secretaries of such associations may have no connection, personally, with any business carried by individual members of the Association; and yet he would be entitled to be placed on the roll, if his association gives his name as one of its representatives.

I would, accordingly, suggest that the simple qualification of membership of a given commercial organisation, forming a constituency for electing representatives, be deemed sufficient; and that no additional qualifications, which would discriminate between the several classes of members of such bodies, be insisted upon. The former practice has obtained all these years, and has never resulted in any complaint or incident, wherein it could be said the commercial community was itself dissatisfied by the quality of its representation, or the capacity of its representatives.

I would also object to the appointment of Government officers for the preparation of the Electoral Rolls for such constituencies, and to serve as returning officers. For all these years past, the Secretaries of such bodies have functioned as Returning Officers for their Chambers, and no exception has ever been taken, or complaint made, about their efficiency and competence to discharge these functions. The Hammond Committee have given no reason for suggesting this change; and the Commercial Organisations themselves have objected to it. The cost of an outside agency functioning for such purpose would be a needless burden. In view, moreover, of the additional qualifications for electors and candidates suggested by the Hammond Committee, an outsider to be a returning officer would be particularly undesirable. The determination in each disputed case, whether or not a given member was entitled to be a voter or candidate would involve considerations and require personal knowledge of the parties, which only the officers of the Chambers concerned can command. Disputants themselves would be unwilling to lay before an outsider considerations which they may find innocuous, relatively speaking, to urge before their own Secretary who has known them and their concerns for years past. No undesirable publicity would occur, no unnecessary inquisition needed to determine such points, when the Chamber's own officers are the roll-preparing officers and the returning officers. For all these reasons, the commercial community is against this proposal of the Hammond Committee.

MATHURADAS VISSANJI.

MINUTES OF DISSENT.

Paragraph 2 of the Report—Single versus *Multi-member constituencies*—

We are of the opinion that multi-member constituencies should be constituted in the Province of Sind, irrespective of the cases of Madras and Bombay.

MANGAL SINGH.

GHULAM HUSSAIN HIDAYATALLAH.

A NOTE ON RURAL AND URBAN CONSTITUENCIES.

The criticism of the recommendations of the Delimitation Committee relating to urban and rural constituencies applies with the greatest force to the proposals relating to the Punjab. In the Punjab the urban constituencies have been formed arbitrarily and on principles that have been rejected as unsound for other provinces. In the Punjab every small township of 7,500 population has been severed from the rural area in which it is situated and grouped with towns, big and small, with which it cannot possibly have greater identity of interest than the district or tehsil in which it is itself located.

There may be some justification for the Delimitation Committee's proposals so far as general urban constituencies are concerned but none whatever in regard to Muslim and Sikh constituencies. Many constituencies are entirely unwieldy in size and unnatural in complexion. Urban constituencies should be confined to such places as Lahore, Amritsar and such places as have a distinctly urban characteristics—say towns of a population of 40,000 or 50,000, even if a redelimitation results in a reduction of the number of urban seats and in an increase in rural seats.

K. L. GAUBA.

GHULAM HUSSAIN HIDAYATALLAH.

18th March, 1936.

I agree with the principle of this note.

G. B. PANT.

18th March, 1936.

While appending my signature to the Report, it must not be held to constitute agreement with every detail of its views. Time did not permit of more than a cursory examination of the main problems covered by the Report of the Delimitation Committee, and I have been obliged to make certain reservations.

L. HUDSON.

6C. Apart from the merits of the case, which have been decided upon by the Hammond Committee I cannot agree to the reinstatement of the Mahajan Sabha at the expense of one of the European Commerce seats.

6D. I prefer the Hammond report decision.

L. HUDSON.

8A. As no representative of unorganised labour was present on the Committee to present their views we feel some apprehension of their losing representation already provided for in the Hammond Committee Report.

L. HUDSON.

COWASJI JEHANGIR.

Postal Voting.

Para. 6, Part I of Appendix III to the White Paper of 1933 recommended a postal ballot for the election of Anglo-Indian members to the Provincial Legislative Assemblies. A reference to the Delimitation Committee Report (pp. 209—211) however, shows that for Bengal, Bombay and the Punjab, the Committee has not accepted this recommendation. In the Punjab the Committee has recommended direct voting. In Bombay one seat has been reserved for "Bombay City and Suburbs" and the other for the "rest of the Province". The Committee has recommended direct voting for the Bombay City and Suburbs constituency, and voting through Collectors and Mamlatdars for the other constituency. In the case of Bengal the Committee has suggested direct voting in those areas where Anglo-Indian electorate is sufficiently compact and postal voting in other areas.

In the course of the constitutional discussions, the community has always demanded postal voting for the election of Anglo-Indian members to the various legislatures. This demand was based on the experience of the elections held in Bengal under the present constitution. The majority of the Anglo-Indian voters are employed on Railways, Telegraphs, Customs, Port Commissioners, etc., departments where, owing to the varying hours of duty, all the voters will not be able to exercise their vote on any given day. In the Railways in particular, nearly half the voters will be on the line away from their ordinary place of residence. In order to enable the entire Anglo-Indian electorate in any province to exercise its votes, if direct voting is insisted on, it will be necessary to establish numerous polling booths throughout the Province and to allot two days for voting. Considering the fact that the strength of the electorate is not very large and the constituency covers the entire province, direct voting will be most expensive and unnecessarily cumbersome both from the points of view of the Government and the candidates standing for election.

It is for these reasons that I recommend that for purposes of election of Anglo-Indian members of the Provincial Legislative Assemblies in all Provinces voting should be by post only.

Anglo-Indians in Sind.

The Anglo-Indian community in Sind has been denied any representation in the Provincial Assembly. Having regard to the fact that it is not within the competence of this Committee to recommend any alteration of the prescribed distribution of seats I desire to confine my remarks to the delimitation of the existing constituencies in such a manner as would ensure the community an effective voice in provincial elections.

The strength of the community in the province is estimated at about 7,000. The census figures are admittedly incorrect because a large majority of the community, even according to the Census Commissioner, declared themselves Europeans or were recorded as such by the enumerators. The average tax paid by members of the community per head is almost equivalent to ten times the average tax *per capita* by the two major communities, and the entire community is literate. On these grounds it is undesirable that the community should be denied a voice and participation in local legislation.

Under the Montagu-Chelmsford Reforms, the community in Sind and Bombay was granted representation in the Bombay Legislative Council by means of a nominated representative. On the basis of the opinion expressed by the Committee that they are averse to disenfranchising an existing constituency, the Anglo-Indian community in Sind is entitled to consideration in its demand that it should not be disenfranchised in the future. The only way in which the community can be enfranchised is by enabling the community in the Province to use its voting strength in the best manner possible. With this end in view I request that a composite electoral roll be prepared of Anglo-Indian voters in the moffussil areas in Sind and that all such voters be attached to one particular constituency, say the Karachi City Southern or the Karachi District or the Upper Sind Frontier. It is only by the adoption of this suggestion that the Anglo-Indian community, which is an important and influential minority in the Province, can be vouchsafed an effective voice in the election of at least one member to the Provincial Assembly.

HENRY GIDNEY.

The single non-transferable vote wherever recommended by the Indian Delimitation Committee should be replaced by the free distributive vote.

NILAKANTHA DAS,
M. ASAF ALI,
S. SATYAMURTI,
BHULABHAI J. DESAI,
M. S. ANEY,
K. L. GAUBA,
MOHAMMAD YAKUB,
A. C. DATTA,
ABDUL MATIN CHAUDHURY.

New Delhi, 18th March, 1936.

LEGISLATIVE ASSEMBLY.

Thursday, 19th March, 1936.

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

MOTION FOR ADJOURNMENT.

CONTRACT FOR THE CONSTRUCTION OF THE HOWRAH BRIDGE.

Mr. President (The Honourable Sir Abdur Rahim): I have received notice of a motion for adjournment from Pandit Nilakantha Das who wishes to discuss an urgent matter of public importance, namely, the failure of the Government of India to safeguard the industrial and economic interest of India in connection with the contract for the construction of the Howrah Bridge. I should like to know if this is a concern of the Governor General in Council.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, in deference to the wishes of the Leader of my Party, I do not propose to move it now.

THE INDIAN FINANCE BILL—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume discussion of the motion for consideration of the Indian Finance Bill.

Mr. Ghanshiam Singh Gupta (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I was saying that the Government of India have not got an all-India policy about the land revenue system in India. After the great famine of *Samvat* 53 and 56, the Government of India seemed to realise their duty only after Mr. Rames Chandra Dutt had written scathingly criticising the land revenue policy of the Government of India. Then, the Government of Lord Curzon initiated a certain policy in the year 1902 which has been summarised in paragraph 38 of the book, "Land Revenue Policy of the Indian Government". After that, there has been no new policy up till now. Even the policy, as enunciated by Lord Curzon, has not been followed to the good of the agriculturists or the tenantry. That policy at paragraph 2 says:

> "That in areas where the State receives its land revenue from landlords, *progressive moderation* is the keynote of the policy of Government, and that the standard of 50 per cent. of the assets is one which is almost universally observed in practice, and is more often departed from on the side of deficiency than of excess."

Here it lays down that the policy of the State would be that of *progressive moderation*. But I want to show that it has not been so in practice. The policy, far from being that of progressive moderation, has been one of *progressive exploitation*. And, as I say, I have some

[Mr. Ghanshiam Singh Gupta.]

knowledge of the Division in India, called Chhattisgarh. There, in 60 years, the land revenue has increased 300 per cent. In my own district, the land revenue in the year 1870 was Rs. 3,00,840, and, in 1930, it became Rs. 8,06,526. Now, I ask Government, whether this is *progressive moderation* or *progressive exploitation*. To increase land revenue in 60 years by 300 per cent. is certainly not progressive moderation, but, as I say, progressive exploitation. There is no wonder, therefore, that the people there are very poor. Now, in paragraph 12, again, it is said:

"Greater elasticity in the revenue collection facilitating its adjustment to the variations of the seasons and the circumstances of the people."

This also is a policy which is followed more in the breach than in the observance. When the price level of agricultural produce fell considerably, the land revenue really increased. The land revenue, which was about six lakhs in the year 1928-29, became eight lakhs, and there is thus a breach in this policy also. There is no wonder, therefore, that although, as my Honourable friend on the other side said, there are huge sums of money in the banks, the agriculturist is getting poorer and poorer. Sir, I do not know the conditions of Bengal except from this book: "The Land Revenue Administration Report of the Presidency of Bengal for the year 1934-35". In that report, at page 5, paragraph 9, it is said:

"The number of defaults was 30,646 and the number of sales 1,930, as compared with 31,169 and 1,826, respectively in the preceding year. The number advertised for sale was 19,311."

Now, Sir, after giving the details of the various estates, that were sold, it concludes in this way:

"The average price realised by sale amounted to 2·99 times the Government revenue."

That means that Government take 33·33 per cent. of the value of the land as its revenue in one year. I ask, is it a sound policy for Government to follow? (Interruption from Mr. G. Morgan.) My Honourable friend can correct me if I am wrong; but I will not stand any correction about the Central Provinces to which I am next coming. In this province, the coercive processes, issued for realisation of land revenue, amounted, in the year 1933-34, to 1,645, while they amounted to 1,791 in the year 1932-33. According to the statement F on page 11 of the Land Revenue Administration Report for 1935, 132,710 acres of land were sold for Rs. 13,81,670. That means a value of Rs. 10 an acre, and the land revenue was about a rupee per acre. This is the state of affairs that is brought about in the villages. The Report shows that, in Berar, the total number of coercive processes issued increased from 3,108 to 5,087, or by 30 per cent. Now, I ask my Honourable friend, Mr. Row: do the agriculturists keep their money in savings bank, even though they suffer their valuable land to be sold? Do you still say that the villager is prospering and is better off? The land revenue policy of this Government is responsible for the penury and poverty of the country. It is not the few industrialists who matter, it is the 80 per cent. of population of India, who live in the villages, not in the towns, who matter.

Another factor which is responsible for this state of affairs is the neglect of rice. I want Government to know—I am sure they know—that the major crop of this land is rice. Out of 20 crore, acres of food-grains, eight crore acres represent rice; still we find that no attention is paid to the improvement in the condition of rice, as if there is no room for any investigation and improvement in the rice crop. We have got cotton committees in which lakhs and lakhs of rupees are spent for the improvement of cotton. Why? It is because cotton is mainly not the concern of the villager, but the concern of either Manchester or England, or of the cities of Bombay and Ahmedabad. But I ask, why Government do not think of rice, which is one of the largest crops, and why no attention is paid to it?

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): You grow rice in Bombay and Ahmedabad?

Mr. Ghanshiam Singh Gupta: I am sorry that you do not permit me to grow rice in your mills. That is the reason why the rice crop is suffering the most. I want Government to have a comprehensive all-India land revenue policy, and I shall indicate certain broad facts about it. I do not know whether it will be feasible or whether it will fit in the formula of the financial experts. But if my Honourable friend has the intention, he will certainly find some ways and means.

The first thing is this. The Congress knows the villages and the villagers and the needs of the villagers and the ways and means to ameliorate their condition. One of the means that the Congress would like to adopt is that there should be an immediate reduction of 50 per cent. in the rental demands from tenants and a corresponding reduction in the land revenue demand. That should be the central pivot round which the all-India land revenue policy of Government should be based.

Secondly, in all forms of taxation, there is a minimum which is exempt. For instance, incomes up to Rs. 2,000 a year are exempt from income-tax. Even in municipal areas, certain incomes are exempt from tax, but so far as land revenue is concerned, the agriculturist has to pay it even if he earns only a rupee. Where is the justice in this? I would not like to be referred to authorities in books, because I believe more in natural intelligence than in collected authorities.

Prof. N. G. Ranga (Guntur *cum* Nellore Non-Muhammadan Rural): Books are on your side.

Mr. Ghanshiam Singh Gupta: You are master of books, I am a plain man, and I want to fight on plain grounds. Why should a man, who is in public service or in the profession of a lawyer or doctor, get exemption if he earns a thousand or two thousand rupees a year, and why should a cultivator, if he earns even Rs. 50 a year, not have any exemption? Therefore, I consider that a certain minimum should be exempt from taxation even in the case of those whose avocation is agriculture. I do not want to get myself entangled in the theory of whether it is a tax or whether it is a rent. If it suits one person, he says it is a tax, if it suits another, he says it is a rent. But the plain fact is that he has to purchase land which he wants to cultivate, just as any other man purchases his stock. He has to follow his avocation, and then he makes

[Mr. Ghanshiam Singh Gupta.]

a gain, and out of that gain a certain percentage must be exempt. The minimum that I would fix is 15 acres in the case of the Central Provinces, and ten acres in the case of the other provinces.

Passing on to another aspect of the question, I have another grievance against this Government, and it is this. Although Government say that they have the good of the people of India at heart, they have not cared to touch any social problems. It is the duty of every Government to improve the social conditions of the people. That is being done in almost all foreign countries. Now, the reason why the Government say that they do not want to tackle social problems is that they follow a policy of religious neutrality. I say, that is only a cover. Whenever it concerns the existence of this Government, it does not care for unpopularity. But where it concerns the good of the people of India, they say "we are helpless: any social legislation must come from non-official quarters". I see what fate such legislation meets: for instance, the very very modest legislation which was tabled by my friend, Mr. M. C. Rajah, has not yet come in; he has been labouring since the year 1933 without any success, and the Government will not help. Government will say it is no business of theirs. I charge this Government with timidity. The present Government is worse in this respect than its ancestors: and how? In the year 1829, the Government took the bold step of abolishing *suttee*. Was that not social legislation? In the year 1856, the Government passed the Widow Remarriage Act: was that not social legislation? The Widow Remarriage Act was very intimately connected with the customs and manners of Hindus, and still it was passed at the initiation of the Government. I ask you now, why are you fighting shy of it? Why do you not take courage in both hands and tackle social problems, so that you might at least, if not in the economic sphere, at least in the social sphere, be able to say to the people of India "Here we have acted like a national Government"? But, Sir, they will not do it because probably they are so unpopular, on account of their economic policy and on account of their repressive measures, that they dare not face the little opposition that is likely to come from vested quarters. I, therefore, charge this Government with more timidity, more cowardice than, shall I say, their illustrious ancestors. On the other hand, what do they do? They will instigate and encourage us to drink tea and have a tea cess committee; my friends over there will be jolly glad; the people of India must drink tea and coffee; they may not have enough rice, they may not have *chappattis*, but they must drink tea and they must drink coffee, and the Government will encourage them in that. I ask, in this social matter why do not the Government help me and my friend, Mr. M. C. Rajah? If there was a time when the Government would have the backing of the whole of the intelligentsia of this land in this respect, it is now. Mahatma Gandhi has been working for it most strenuously, and I would most earnestly commend to this Government to take in hand social legislation also. If they cannot have the courage to vote, they can at least do one thing. They can give opportunities for facilitating social legislation in this House: they need not vote, but they can leave the matter entirely to non-official votes. They must, however, give us the opportunity and the time. Only a few days are given for non-official business, and, in those days, important political questions are discussed, but social questions are not discussed. I would, therefore, ask the Government to allot some Government days for social Bills, out of their time; and if they do not want to have any responsibility for passing social legislation, let the actual voting be in the hands of elected Members only. That will be a good compromise and they can very well say "We have only given facilities, we have not taken sides."

Now, I come to certain specific grievances. One thing that I have said is that the Division of Chhattisgarh is very very poor, so far as its agricultural cattle are concerned, both milch and draught. There is one way in which the Government of India can help us, and it is in the matter of railway fares. If the Government of India can give special facilities to the Central Provinces and particularly to Chhattisgarh for taking cattle, say, from the Punjab to the Division of Chhattisgarh by railway, then matters would improve very much. I am really sorry that Chhattisgarh has not got here a better advocate than I am. It requires a telescope or microscope in order that my friends on the other side may see it, and I have neither the microscope nor the telescope: I have got ordinary lenses with me, and, with these, I cannot make them see: but I want to put my whole heart into it, and, with all the emphasis at my command, I plead the cause of Chhattisgarh cattle. I really desire that there should have been a much better advocate for the cause of the cattle of Chhattisgarh than I am. But, poor as I am, humble as I am, I want to impress on this Government the absolutely hopeless condition of Chhattisgarh cattle, and the one thing that I would very particularly request is to give facilities for transport by rail to bring good breeding milch and draught cattle from the Punjab or Gujerat or wherever it may be possible. At present, although for coal and other industrial products you give any amount of facilities and also concessions, there are no concessions in this respect.

There is another point. From the crore of rupees that the Central Government gave to the various provinces, some amount was also allotted to my province; but this allotment to my province was very very meagre; looking to the problems of the Central Provinces, the allotment that was given by the Government of India was really meagre. I would, therefore, request the Government of India to increase that allotment, so that more facilities for digging wells may be given. Special instructions should be given by the Government of India to the Central Provinces Government to find out tracts where there is difficulty in water supply, in pure drinking water, and to instruct that a major portion of this money should be utilised in those tracts.

Now, I come to a matter of another aspect. I would eschew altogether what may smack of communalism; but there is one thing which I cannot refrain from saying, and it is this: the circular that has been issued in the North-West Frontier Province about Hindi and Gurmukhi is bound to create all-India discontent. The Government of India must bring pressure to bear on the North-West Frontier Province Government to withdraw this Hindi and Gurmukhi circular. We, Sir, in the Central Provinces, have no such distinction. Even where the population is small, we have got Hindi, Marathi and Urdu schools, and the Government aid them, even though the Marathi population is less and the Hindi population is more, and the Urdu population is not more than four per cent. . . .

Maulana Shaukat Ali (Cities of the United Provinces: Muhammadan Urban): What is that circular? Better explain it.

Mr. Ghanshiam Singh Gupta: The circular says that both Hindi and Gurmukhi languages are banned, and no new schools, started even by private enterprise, where these two languages will be taught, will be recognised by the Government. This is really absurd. New primary schools, started by private effort, in which Gurmukhi and Hindi will be taught, will not be recognised by the Education Department. Can we conceive of anything more absurd than this? No aid will be given to the existing institutions in which Hindi and Gurmukhi are taught after five years. And, even if new schools are started by private efforts even for the education of girls, such schools will not be recognised, and I must respectfully draw the attention of the Government to this matter.

The next and somewhat minor matter is the question of Panipat. There it is not a question between Hindus and Muslims. Both the communities are united in their demand. (*An Honourable Member*: "They used to fight before".) I do not know whether my friend had been there. Anyway, on this question, both the Hindus and Muslims are united that in purely Hindu localities, at the time of Hindu festivals like Holi and *Fag*, the observance of such festivals should not be prohibited. But this year the observance of the *Holi* festival was prohibited, and even our Muslim brethren have protested against the action of the authorities. I would, therefore, draw the special attention of the Government to this matter. I have nothing more to say, Sir.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, there is one point in the speech of the Honourable Member who has just spoken on which I should like to comment, because I may claim some small knowledge of the subject. If I heard him correctly, he said that nothing had been done for rice in the Central Provinces. That, Sir, is a misstatement. My Honourable friend, who represents the Department of Education, Health and Lands in this House, could have given him much fuller information on that point than I can. He could have told him at much greater length, than I propose to do, that the Imperial Council of Agricultural Research has paid special attention to this subject, and that their Rice Research Scheme makes provision for rice investigation in the Central Provinces. The Council of Agricultural Research has also set up a Rice Committee for co-ordination and consultation, and that Committee is an inter-provincial one. The Honourable Member who has just spoken said that the position in regard to rice compared unfavourably with that in regard to cotton. I would remind him that the work which is done for cotton is financed by a cess which is raised from the industry itself and I would ask him whether the rice industry would care to subject itself to a similar cess.

But, Sir, the main reason for my intervention this morning is different. Some weeks ago a local paper, which is no respecter of persons, had a cartoon in which you, Sir, were shown as conducting a chorus of Members of this House who were engaged in performing an oratorio, the words of which were drawn from May's Parliamentary Practice. My friend, Mr. Joshi, and I did not figure in that performance. (Laughter.) The reason was, I imagine, that the cartoonist was waiting for our annual duet—with its occasional chorus. The House has narrowly missed our performance as it usually takes place on Mr. Joshi's cut motion on the demand for grants which my department puts forward. Owing to circumstances over which Mr. Joshi had no control, it has had to be postponed till today. I have been thinking, Sir, of a suitable title for our duet, and I have come to the conclusion that that of a famous duet, sung by Dame Clara Butt and her husband, which I used to hear when I was a boy, would fit the case. The title of that duet was "I will give you the keys of Heaven". (Laughter.) Mr. Joshi is always asking me for the keys of heaven, but alas, Sir, I am no St. Peter.

The two most important matters which he has raised in his speech in this discussion were matters with which I dealt last year. He has once again raised the question of an Industrial Council, and I can only refer him to what I said a year ago. I pointed out to him then that the Whitley Commission did not regard this as an immediate matter. It was true that they did not rule out the possibility of an Industrial Council being started before the Reforms, but it was the position under the Reforms that they had mainly in view, and their principal object was to secure, under a decentralised system of Government, that measure of uniformity and co-operation which they regarded as essential. I pointed out to him, Sir, that there was no guarantee whatever that responsible Provincial Governments would hold the same view as to the composition or the manner of operation of the Council as the Whitley Commission did. I pointed out to him the difficulty due to the fact that no system instituted now could embrace the State and that it was absolutely certain that it would have to be revised as soon as Federation came into being. I further pointed out to him that we are still engaged in carrying out the Whitley Commission programme and that there is a good deal that still remains to be done. That programme was prepared after full consultation with labour, with capital and with the Local Governments, and I, therefore, said, Sir, that it seemed unnecessary to have it revised by an Industrial Council, and that if the Council were to take up new schemes coming from outside it, they would have to wait until the present programme had been exhausted and that would take a considerable time. My friend, Mr. Joshi, has not attempted to reply to a single one of these arguments, but, as usual, he wants me by means of a magic wand to bring an Industrial Council into existence forthwith. I would urge that a compelling argument against acting hastily at present is that an Industrial Council will be dependent for its working on the reformed Provincial Governments. It is essential, therefore, that any scheme should have their co-operation and should be framed with due regard to their views. Mr. Joshi's attitude is based on distrust of the future Governments, although the new Provincial Legislatures will have far more effective labour representation than the present ones. If Mr. Joshi's distrust is justified, no scheme is likely to work well, for willing and not forced co-operation is of great importance, and nothing would be more likely to prejudice the new Governments, against the scheme, than a feeling that their predecessors had utilised their dying moments to commit them to it. My Honourable friend, Mr. Joshi's attitude is very much the same in regard to health insurance. He wants us to bring a scheme into force at once. "Don't waste any more time on inquiries. Do not worry about experience, do not worry about money, ...

Mr. N. M. Joshi (Nominated Non-Official): It has taken five years.

The Honourable Sir Frank Noyce: . . . . do something at once." My Honourable friend says it has taken five years and that we have done nothing. That is not true; and, even if it were, it would hardly be surprising in view of the difficulties of the problem. We are making slow progress with what is an intensely difficult subject. It has been examined

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from time to time by the Standing Advisory Committee of this House. We have had the assistance of the Public Health Commissioner on its medical aspects, and we also secured the assistance and the advice of the Government Actuary's Department in London. I explained all this to the House last year, but my Honourable friend, Mr. Joshi, again, in this respect, as in the last, attaches no force to any arguments I may bring forward on this or any other subject.

It is important to remember that the advice we got showed that an elaborate analysis would be required over a series of at least five years, of the experience regarding sickness and employment of a representative sample of the industrial population. The requisite statistics would have to be collected on experience cards to be completed for each individual worker in the sample by a large number of employers throughout the country. Further examination showed, that the maintenance of experience cards, on the scale required, would be a very difficult, and probably a costly task, which it would be impossible to prevail upon the employers to undertake. Even if administrative and financial difficulties were overcome, the statistical results obtained in the absence of benefits would be extremely unreliable, because there would be no effective check on their accuracy. So far as we could gather, no Local Government or any large body of employers is at present likely to institute any comprehensive scheme, and even if there were a prospect of a comprehensive scheme being undertaken, it would be a sounder and quicker method of proceeding, to institute small empirical schemes and to build on experience rather than on theory. We have addressed the Local Governments since I last spoke in this House on this subject. We have put the difficulties before them. We have asked them for their advice on the feasibility of a statistical enquiry of the kind contemplated by the Whitley Commission, and also on the alternative possibility, which was suggested in the Whitley Commission's report, of building on the actual experience gained in the operation of small experimental schemes. Their views are now coming in; they take up 79 pages of type, and I may tell my Honourable friend, Mr. Joshi, at once that they are not very encouraging.

Mr. N. M. Joshi: May I ask whether these replies will be published?

The Honourable Sir Frank Noyce: That I cannot say at the moment, but I think it is very likely that they will, in some form or another. I have not been through them in detail. I have not had more than a glance through them, and, as I have said, I have formed the impression that they are not at all encouraging. When we have examined them we shall then be in a position to decide what to do next. But I would submit to this House that, in a matter like this, one can only proceed on the basis of experience, and that to bring a health insurance scheme into effect without doing so would lead us to irretrievable disaster; the scheme would be damned from the very outset.

My Honourable friend, Mr. Joshi, said that he had a feeling that unemployment was still increasing. It is not always safe to rely on feeling, it is much better to rely on facts. I noted that my Honourable friend was very careful not to distinguish between industrial and agricultural unemployment. He lumped them both together, and perhaps, it was as well for the sake of his argument that he did so, because the figures I

have already put before the House show that there is no reason—to put it mildly,—there is no reason to believe that the figures of industrial employment are going down. In 1934 there were 110,000 more people employed in factories, railways and mines, than in the previous year, and there is every reason to believe that the figures for 1935 will show a further improvement. There is one point on which I have omitted to comment, and that is, Mr. Joshi's plea for a labour representative to be attached to the Advisory Committee of the Bureau of Industrial Intelligence and Research. My Honourable friend, Mr. Joshi, has entirely mistaken the nature of that Committee. The Bureau is to conduct research into problems directly affecting industry, not research into labour problems.

Mr. N. M. Joshi: May I ask one question? Is it not a fact that this Advisory Committee was consulted about some legislation for smaller workshops?

The Honourable Sir Frank Noyce: No, it is not a fact. What my Honourable friend has in mind, and what is a fact is that the question of regulation of labour in non-regulated factories was referred to the Industries Conference, an entirely different body, for opinion.

Mr. N. M. Joshi: May I ask whether there was any labour representative on this Industries Conference?

The Honourable Sir Frank Noyce: I am afraid I cannot answer that question offhand, but I think there were people who were certainly competent to speak on behalf of labour interests. The Advisory Committee of the Bureau of Industrial Intelligence and Research is a body of experts and it is engaged in questions of research into industrial problems. As I have said, it is not a bureau for research into labour questions. Some day,—I have no doubt that my Honourable friend, Mr. Joshi, wishes the day may come very soon—the Government of India may set up a bureau purely for research into labour questions, but the time is not yet. Meanwhile, I do not myself see that there is any great advantage to be gained by turning this Advisory Committee into the sort of Committee that my Honourable friend wants. I do not think I need say more in regard to the points raised by my Honourable friend, Mr. Joshi, but I should like, before I sit down, to offer a few remarks in regard to a question which has been raised many a time during the course of this discussion. We, on these Benches, have been very frequently asked what Government have done to develop Indian industry. My Honourable friends fail to realise—as realisation would take away a very valuable weapon, a very valuable stick with which to beat Government—that the development of industry is a provincial transferred subject.

Prof. N. G. Ranga: Very convenient!

The Honourable Sir Frank Noyce: It is not for me at this stage of the debate to enter at any great length into what the Local Governments are doing, but I should like to point out the difficulties they have in their way. Those are illustrated in a speech which has recently been made by the Honourable the Minister for Industries in Bengal, where he refers to the disappointing results that have so far been obtained by the operation of the Bengal State Aid to Industries Act. He points out that the progress made

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has been very slow. He emphasizes that Government have to be guided by the expert opinion and advice of the statutory Board of Industries, the personnel of whihc consists, almost entirely, of non-official gentlemen. He added that:

"If genuine proposals with well-established facts and well-thought out schemes, consistent with technical and economic principles—of which the number has hitherto been lamentably small—be forthcoming, I see no reason why they should not receive necessary financial backing. It, therefore, behoves the *bona fide* industrialists to come up with schemes which will stand the test applied by the Board."

That, Sir, shows the difficulties the provinces are experiencing in helping industries.

Now, Sir, I turn to what the Government of India have done. I maintain that they have done a great deal. I maintain that the result of their policy of discriminating protection, and of stores purchase and the action taken, after the trade negotiations with Japan and the Anglo-Japanese Trade agreement, are evidence of their desire to assist Indian industry and to translate that desire into practical effect. It may be of interest if I mention to this House some of the stores which we buy and which are of Indian manufacture but which were imported into this country five years ago. In this connection, I should like to say a little more about our stores purchase policy. I should like to point out the valuable assistance that the Indian Stores Department gives to Indian industry, not only by its purchase of stores manufactured in this country, but also by the advice it proffers to manufacturers whose manufactures are not up to the mark. It is always ready and indeed anxious to tell them why their manufactures are not up to the requisite standard and what are the methods by which they could improve them. Here are some of the items in the list that I have and if this is not evidence of the progress India is making in every direction, I should be interested to know what evidence would satisfy my Honourable friends opposite. There are 38 items here but I do not propose to give more than a few:

"Vacuum brake fittings, lawn mowers, centrifugal pumps, ironclad switches, weighing machines, cooking ranges, greatcoat cloth, cloth waterproof, webbing for web equipment and lint."

I wonder how many of my Honourable friends opposite have recently visited the exhibition which is now taking place in Delhi, promoted by the All-India Association for the Development of Swadeshi Industries. I would urge those who have not been there to go there and to see for themselves what India is doing in the direction of manufacturing its own requirements. I have now been to that Exhibition for four consecutive years and I have been immensely struck, on every occasion since the first, by the rapid development which is taking place. Articles are now being made in India which would have been thought entirely beyond the range of possibility only a few years ago. If my Honourable friends opposite go to the stall which has been established under the ægis of my friend, Mr. Bewoor, they will see for themselves scientific instruments of the greatest accuracy which are being made in the Posts and Telegraphs Workshop at Aligarh. Similarly, the Dayalbagh stall shows evidence of the progress which has been made in that direction. I should like to mention for the information of the House that I myself pay no lip service to the cause of Swadeshi Industries. I am at the moment wearing swadeshi shirt and swadeshi

socks, also swadeshi underwear. I eat swadeshi biscuit and drink swadeshi lime juice and for the same reason that I have to use that, I have been compelled to take swadeshi mineral waters. When I leave this House this morning, I shall wear a hat which is as truly a product of this country as the headgear worn by any Member of this House. I should also perhaps mention that I smoke a large number of swadeshi cigars. But in all seriousness, I would point out that my Honourable friends opposite continue to think in terms of heavy industries. They think in terms of locomotives and motor cars and think nothing of the progress that Indian industry is making in a multitude of other directions. I maintain that there are signs of a very healthy development of Indian industries and I think it will bring about a far better balance between industry and agriculture if we have a multiplicity of small industries springing up everywhere, of which there are evident signs instead of a few localised heavy industries. I feel that I must comment on the interesting fact that my Honourable friends, Sir Hormusji Mody and Mr. Joshi, have, for the first time perhaps in the history of this House, found themselves in agreement. My Honourable friend, Sir Hormusji Mody, greeted with enthusiasm Mr. Joshi's pronouncement in favour of protection but I am not quite so sure, when Mr. Joshi had finished that speech, and when he realised that the form of protection that Mr. Joshi wanted was not quite the same that he desired, his enthusiasm remained at its original height. There is one point in regard to which I must confess that I am somewhat disappointed and that is that no reference has been made in this House to the population problem. It is all very well to accuse the Government of neglecting Indian agriculture and Indian industry. I do not think that that charge is well founded but I do think that, even when they make it, my Honourable friends opposite might think for a few moments what a very urgent problem it is that is presented to India by the number of mouths that are being added every year, individuals who have to be fed how and who ultimately will have to find some employment. That is a problem over which we, as Government, have no control. I can only hope that my friends opposite, when the time comes for them to tackle up, will be able to deal with it successfully. There is no problem facing India, which to my mind demands greater thought and consideration. That, Sir, completes all I have to say. I do not propose to refer to any question which has been raised in regard to the postal and telegraph rates, as I shall doubtless have an opportunity of dealing with them in proper proportion and at greater length when the clauses of the Bill come up for discussion.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, due to the constitution under which we work, the temptation to speak on all subjects, except the budget proper is great indeed. We have heard discourses and lectures on Socialism, Communism, communalism, industrialism, capitalism . . . .

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Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): And birth control.

Sir Cowasji Jehangir: . . . and, as my Honourable friend reminds me, lastly on birth control. (Laughter.)

Now, Sir, I propose to devote my attention for a very few minutes to the budget proper. Mr. President, any statements or remarks made in this Honourable House, intentionally or unintentionally, which go to shake the

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credit of this great country in the money markets of the world are to be deprecated. The credit of India stands high, not only compared with countries in the east, but with the majority of the countries in the west, and I contend that today we are in as financially strong a position as we have ever been during the last five or six years. We must not forget that the credit of a country does not depend upon the opinion of bankers or economists alone, but it is the man in the street who is your banker, it is the man in the street who subscribes to your loans, and it is the opinion of the man in the street that makes or mars the credit of a country; and, therefore, I deprecate all the more any statements or any insinuations that our credit today is any less or ought to be any less than it has been during the last few years.

An Honourable Member: Who said that?

Sir Cowasji Jehangir: I shall, therefore, devote a few minutes of my speech to our financial position. Sir, in the last report of the Controller of Currency, there is this statement:

"It will be seen that India's unproductive debt has been reduced by 3·87 crores during the year and now represents only 16 per cent. of the total."

Now, Sir, I will not weary the House with a large number of figures, but I would just like to point out some salient features in round figures in this capital debt. The capital debt of the country is 1,239 crores, out of which 756 crores are for the railways, 23 crores for other commercial departments, 179 crores lent to the provinces, 21 crores capital advanced to Indian States and other interest bearing loans, making a total of about 981 crores. Then, you have got 62 crores in cash bullion and securities held on treasury account, leaving 195 crores, out of 1,239 crores as unproductive debt,—that is, the 16 per cent referred to by the Controller of Currency. Now, Sir, as you very well know, we have been putting aside less to the fund for the reduction of debt than we used to; it is three crores today, and, therefore, the crux of the question is—what is the position of that debt which we have incurred as capital for the railways? Is that properly provided for? Well, Sir, I shall just for a few minutes try and examine the point as to how we have provided for that debt. I will take the figures from the date of the separation of the accounts, that is, from the year 1924-25 to 1936-37. During those years, 162 crores were set aside for the Depreciation Reserve Fund. In addition, a little over 18 crores was set aside for a fund called the Railway Reserve Fund—a total of 180 crores. Out of that 180 crores, we spent 114 crores on renewals and replacements; that is to say, during these years, no smaller sum than 114 crores of money has been spent on keeping your railways up-to-date and in good condition. That leaves a total balance of 66 crores to your credit. During these years, over and above paying the general treasury 42 crores, your railways have been able to set aside 66 crores in funds which have been called the Depreciation Reserve Fund and the Reserve Fund. Out of that, you have paid your losses during the last few years, which amount to about 53 crores. In short, you have wiped off your Reserve Fund of 18 crores, and you have reduced your balance in the Depreciation Fund to 11·81 crores. The net result is that, during those years, after having spent 114 crores to keep the railways up-to-date, after having paid 42 crores as profits to the treasury, and after paying for your losses, you have still got 11·81 crores. I maintain, Mr. President, that this is a position which no limited company would be ashamed of. This is a position which any commercial department ought to be able to put forward before the world with the greatest confidence. Sir, what does this really mean? It means that up to the time you began to make a loss on your railways, you were setting aside in a fund—it does not matter what you call that fund,—much more than was required for replacements and renewals. Well, that is one method of setting aside monies for any purpose you like,—it may be for reduction of debt; it may be for emergency, unfortunately, it has been used for paying losses; at any rate, you were able, in good times and in bad times, to set aside these huge amounts, and, in addition, to pay into the treasury 42 crores of money.

Mr. N. M. Joshi: Suppose the railways become out of date.

Sir Cowasji Jehangir: You have spent for that purpose 114 crores since 1924-25.

Mr. N. M. Joshi: Aeroplanes will make them useless.

Sir Cowasji Jehangir: Then, you have got bad debts. That is a thing that may happen to the whole of the Government, to any individual, to anything in any part of the world. You cannot help that. What is your financial position? That is the point. Now, Sir, I believe that any economist or any banker going into these figures would strongly maintain that we deserve the credit we enjoy in the money markets of the world, and that we are doing all we can to maintain that credit. It is much more important at this time, in the history of India, than it ever was before to maintain that confidence. During the last four or five years, when the future Constitution of India was being prepared, it was my misfortune to hear many doubts cast upon what our credit would be like in the future, and it was due to those doubts and apprehensions that many of the safeguards, that we protested against in the past and do protest against even now, were inserted in the Constitution. Therefore, it is all the more important that we should take every opportunity of pointing out from the platform, in the press, and, when opportunity arises in this House, that we have complete faith in our financial position and that we are determined to maintain that strong financial position in the future. I would not have wearied the House with these figures had my Honourable friend, the Finance Member, expressed his opinion on the opinion of his predecessor which I read out to the House, an opinion expressed as lately as in his budget speech of 1934, and it was because of the absence of any expression of opinion on that valuable opinion, expressed in 1934, that I have taken this opportunity to place some of these figures drawn from ordinary blue-books before this Honourable House. Perhaps my Honourable friend was more occupied in thinking and trying to guess as to which party is prepared to kick, which other party in this House. His attention and his reflections and meditations might have been better occupied by trying to answer some of our criticisms, however unintelligent he may have believed them to be. But I am given to understand that my Honourable friend is accustomed to shake hands with his gloves on. He has been known to do it on certain occasions. But, so far as we are concerned, he generally chooses to pull them off when he tries to shake hands

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with us, but may I express the hope that in future my Honourable friend will keep his gloves on. The House has expressed a definite opinion that considering our exceptionally strong financial position, we should follow the orthodox practice of financing huge works, such as building cities out of loans. The House has expressed that opinion, and, therefore, I am led again to a sentence in the Honourable the Finance Member's speech which appears, notwithstanding his explanation, to intrigue, not only Honourable Members of this House, but a good many people interested in our finances all over India. Therefore, I have to draw the attention of the House again to these words in the Honourable the Finance Member's speech. While criticising the Government's action in putting only three crores into the fund for the reduction of debt, he says as follows:

"Who dare say then that for the next seven or eight years we should by this high sounding device of borrowing to pay for Quetta still further reduce this already inadequate provision by sums which vary, from year to year, of course, but which are of the order of Rs. 75 lakhs."

If I understand English and if I put the plain interpretation upon these words, I would have thought that the Honourable the Finance Member intended to warn this House that if the reconstruction of Quetta was financed out of capital, it would mean an yearly increase—not immediately but after the whole of the seven crores has been borrowed—of 75 lakhs to our interest charges and sinking fund charges. That is the ordinary interpretation placed upon these words. But the Honourable the Finance Member interrupted me the other day and gave an explanation. I am not going to repeat that explanation just now, but I would point out that when this whole sum of seven crores is borrowed, we will have to set aside an equated annual amount of 29·84 lakhs to cover that loan of seven crores if it was of a 50 years period at 3½ per cent. or your sinking fund charges would be 5·34 lakhs and your interest would be about 24½ lakhs. The total amount of 29·84 lakhs would cover a loan of seven crores at 3½ per cent. for a life of 50 years. Therefore, I am unable to understand, and many of our friends, who read our proceedings with great care, are unable to understand, how the Finance Member gets this figure of 75 lakhs. I point this out, specially on this occasion, because next time we meet, we shall be making inroads into the revenues of this country; and, so far as I am concerned, I desire to do so with some reason and with some logic. I do not wish indiscriminately to deprive the Honourable Member of revenues in order to reduce taxes or to give relief to the poor. I desire that we should do so with a considerable prospect of still having a safe and cautious budget. I have pointed out this figure of 75 lakhs for this very purpose, and I, for one, will await the Honourable Member's explanation, although, I am afraid, it will be rather difficult to furnish one. Mr. President, so long as I have been a Member of this House, I have always tried my best to see that after the cuts I have voted for the Finance Member still had sufficient to pay for all the demands that would be made upon him. And when this side of the House does that, we do expect that our opinions and our wishes shall be respected by Government as far as they possibly can. That is the present Constitution under which we work. Because the right of certification has been given to Government, it does not mean that, because they disagree with us on any retrenchment we may suggest or any relief that we may require, they should not meet us. They have to be satisfied that we have given them ways and

means to carry out the duties imposed upon them and they shall then meet our wishes. That is how I look upon the Constitution under which we work, and that is how I look upon the power of certification given to Government. Under these circumstances, Sir, we look forward to the next few days with the hope and with the faith that Government will act up to the principles I have just enunciated.

Dr. Khan Sahib (North-West Frontier Province: General): Sir, in my humble and honest opinion, finance, which is the outcome of a struggle between the economists for centuries, is becoming more and more complicated on account of its internal contradictions. It will be impossible for me to go into this science, if science it can be called, in detail, in the short time at my disposal. It will not be out of place to say that there are two main schools of thought, one school faithfully following the theory of capitalist economists and the other that of socialists. I venture to say, Sir, that we cannot be classed under any of these two headings, because they are only applicable to free countries. Ours is a unique type. Now, to explain its unique character, I shall have to tell the House that this school of thought is composed of two component parts; one, the main and dominant part of the foreign exploiters who think only of how to fill their pockets with the help of any trick they can stage to deceive the people. The other part is that of the slaves who are ready to sell their nation for the crumbs which are thrown at them by their benefactors. It is no wonder, Sir, that this school of thought is constantly engaged in talking of high finance. Sir, they always try to convert simple items into complicated problems for deceiving others, and, in virtue of their so-called high intellect, arrogate only to themselves the right to solve those problems. My economics, which are based on the fair and just distribution of the products of this country, I am sorry, Sir, the Treasury Benches will never understand, because these robbers have broken into our house and we can never persuade them to get out by telling them that their despicable deeds are the cause of our starving millions. Our only way out is to join together and not be a party to the iniquitous and infamous behaviour of this Government towards our people, especially the peasants and workers. Sir, you have just to look at their pay-sheet. It begins with Rs. 25,000 a month and ends with Rs. 5 a month. Just think of it. Is there any country in the world which presents that difference? And why go far? Just look at the Treasury Benches and the men in khaki and red shirts who are standing behind them. As a doctor, my diagnosis of the maladies of these two types is that the Treasury Benches are suffering from overeating and the poor people standing behind them are suffering from overwork. We are asked, Sir, why we do not make constructive proposals. Would the Honourable Members accept our proposals? It is impossible for them to accept, because it will touch their pockets, Sir, we are not going to be partners in working this rotten machinery, top-heavy and worm-eaten, without any sound foundation. You may put any clean part into that machinery, but it is bound to become rotten. If ever we have power, we shall destroy this machinery and put in a simple, honest and clean machinery that every man can understand and every part of it well polished and workable only by honest men.

Sir, the Members of this Government are the victims of the leisure class theory and are brought up in the corrupt system, in which they are bound to forget two things, which are absolutely essential to the truth:

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"the good done by the Opposition and the great evil committed by them". When this Government happen to bring charges against the Congress, they say: "Oh, but it is absolutely necessary to punish their faults for the sake of good administration". But when they happen to face their own sins, then, bribe is called *dastoori*, gift, *dali*, or *bakshish*, as you change your province and department.

I will now pick up the thread of the Afridis where I left it. Sir, the Honourable the Foreign Secretary said that the allowances were not stopped, but only their personal allowances. These personal allowances are part of the allowances given to the Afridis. I think the idea of these personal allowances in 1898 was that, by discrimination, the Government would be able to create a feeling of personal interest in the Afridis, as it is existing in us, but they are a democratic people and always think in terms of common interest. They treat one another, absolutely equally. These allowances were pledged in 1898 and were confirmed again in 1931, after the Khajuri disturbances. These pledges have nothing to do with the new road. But now, Sir, what do we see? The Political Agent of Khyber called a meeting of Afridi elders and *maliks* on the 7th, and told them that as they had failed to construct the road to Chora-Candao and the pickets along with it, their personal allowances had been stopped. Further, they were asked to go and persuade their people to permit the construction of the road. They were also told that the road was to be constructed under the orders of the Governor with the consent of the Governor General, and that, if they did not agree to the construction of this road, force will be used. The Afridis simply answered that they had nothing to do with it. On the 11th January, 1935, the Governor had announced the construction of this road with a bogus application from some of the Afridis, which I have already explained to the House. Now, Sir, as it was then snowing in *Tera* and most of the people were away, it was impossible for the Afridis to call a *jirga* and discuss the matter.

I have already spoken about the Watch and Ward establishment. The only thing I want to say is that it is officered by 100 British officers. No Indians are taken. As I have already explained, the pay of the most junior officer is Rs. 1,200 with Rs. 300 or Rs. 400 a month extra allowance. I know, when a junior officer gets in debt in the Army he is sent there in order to collect the loot for improving his finances.

Sir, it is my duty to make a statement to the House about the firing which took place when our President was on the Frontier. There are two theories: one is that it was an accident. The other, that it was done by one of the official parties to give a bad name to the Governor of the Frontier. Sir, even the officials have parties, some of the officials, in order to keep up a feeling of discontent among the Pathans, join one side, some the other side. As far as my information goes, it was an accident. But, what followed after the occurrence is inexcusable? I shall tell you what the police did. The police collected all the people round about the villages and made them sit along the road for 24 hours turn by turn for several days, one sub-inspector induced one man to make a false declaration about three persons who went and consulted him on the day of occurrence. They arrested those three men. But, luckily, the Governor—I must give him credit for this—found out through his personal informers the real culprits. His idea is that justice must be done; he has issued orders for the release of those three men and for the arrest of the man who had given the false information and the other two real culprits. There is one thing I must say, and which I want the Frontier Government to know, namely, that the police knew that the three men whom they had arrested were innocent, but still they arrested them. They arrested them deliberately. This is a fact. I hope that after reading my speech, the Frontier Government will note and will take proper steps.

Sir, the Frontier is a wonderful place. I do not know, what Honourable Members think should be done with an officer of police who has been dismissed. We see on the Frontier that an ordinary sub-inspector, who has been dismissed for corruption, has been created an honorary first class magistrate with section 30 powers. Look at the justice of the Frontier Government . . . .

An Honourable Member: After dismissal?

Dr. Khan Sahib: Yes, he is made a magistrate. These magistrates are created simply to be under the thumb of the police and do as they are directed by them. Most of them are really illiterate. I may remind the Foreign Secretary, that last year he protested against certain of my remarks about the Frontier; now, what has he to say about this man who has been pensioned off and has been made a first class magistrate? There is a case of ten lakhs from Bokhara—between two parties—which is going to be handed over to him, and he is expecting to get Rs. 50,000 out of it. These are the kind of things done on the Frontier. When a man is dishonest he is made a magistrate in order to give him power to suppress honest people to expose his sins!

Now, Sir, I will come to the Delimitation Committee. Topi and Zaida are two villages on the Frontier, both in *Uthman Nama*; they were in one constituency for election, but to suit the purpose of the present Minister, they have been separated, thus *Uthman Nama* has been split up into parts and the Rajjar tribe has been divided into three parts, because it was a stronghold of the *khudai khidmatgars*. Let me tell this Government that they can divide the Frontier into any bits they like, but we shall still defeat their Minister.

Another very unfortunate thing happened on the 20th February, 1936, on the Frontier. Shah Baz of Shabi, a poor man, came to Charsadda during the fair to sell his sheep in order to pay what land revenue he owed. As soon as he arrived there, the sepoys of the tahsil caught hold of him. He was begging them and telling them that, if he was allowed to sell his sheep, he would pay their *dasturi*, and the rest he would pay towards the land revenue, and if any balance remained, and the Tahsildar allowed him time for bringing the balance, so much the better: otherwise, he could be locked up. They beat him and they dragged him before the Tahsildar; he was put into the lock-up, and he was dead the next morning; and the Tahsildar went to the doctor the next morning to see to the *post mortem*: I do not know what happened further.

I will now come to the village uplift question for which the Finance Member has given some money to the Frontier. Everything on the Frontier is peculiar. Now, the Development Officer of the Frontier is taken from the military. He is in charge of agriculture (Laughter); he is in charge also of the veterinary department; he is in charge of fruit gardens; and, I tell you, there is a garden he has made in Dera Ismail Khan: if only you look at it, I think the amount of travelling allowance

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he must have drawn going to that place would be worth far more to us than to have a garden like that. In this village uplift scheme, they sent some money, and what do you think the gentleman did? He wanted to find out gold, he experimented for finding gold and thus wasted a part of that money. If there were any gold on the Frontier, I think the Pathans would have found it long ago (Laughter) . . . .

Captain Sardar Sher Muhammad Khan (Nominated: Non-Official): But you want an expert to find gold: you cannot.

Dr. Khan Sahib: I am coming to you: do not worry. Then, they tried to build a marble factory, but nothing has materialised. So you can imagine what amount of village uplift we have got. On the main road from Nowshera to Peshawar, there is a big board put up, and, when you pass it, you read the words "village uplift", and that is all we have got (Laughter) from the Finance Member. Then, we are told by the Honourable the Army Secretary that they want to civilise the Afridis and spend money on them. I wonder if he has been to Chota Nagpur or any parts of the Central Provinces, which I have seen personally. If even after 200 years they have made the man of Chota Nagpur into a type of human being who has got no food, no clothes absolutely, except one thread round his body, and who eat leaves, I should like the Honourable Member to protect him: it is a rich province; it has got mines of all kinds; but who has got the mines? The exploiters. They are exploiters from 6,000 miles away and they get everything. If he wants to bring that civilisation there and if he thinks the Pathans are going to be civilised, like him, let me assure him that we shall never stand it, and the Afridis never. I think they would rather die than become dishonest civilised creatures.

Just one word about discipline, about the gentlemen who might become the Commander-in-Chief of the National Army of this country. He has been in the army, and I suppose I have been too. There is discipline only when there is a question between Indians, or between the British. But as between an Indian and a Britisher, there is no question of discipline. Then, there comes prestige, which I think the Honourable Member knows. I will tell you a tale. It is a fact. What I say I know. An officer was promoted to the King's Commission in the Army, and I used to see him. He used to salute his junior lieutenants, and so I asked him, "This is not done". He became very angry and he told me he did not do it deliberately, but that the moment he sees a hat of an officer, his hand goes up automatically. (Laughter.) There are exceptions, but I am mentioning only one instance, and I am not casting any reflection on anybody.

We will now come to the Military Academy. Those who know something about the army will call it a farce. If they want colonial commission, let them go out of this country and let the army be run by us. But if they want to sit here, then, no Indian, who has got any self-respect in him, should accept this colonial commission: it is an inferior

commission. It is just the same as the Jemadars now: there is no difference. It is a trick. Either they leave this country; or let those who believe in Indianisation see that the King's Commission is awarded to them.

One point more, and I shall finish: I have lots of things to say, but shall not do so now. We are told about the Communist bogey. Let us see what are these Communists. I rather like them. They are really good people; they want us all to be equal. I think they are just like the Muhammadans of olden days. I will give you some description by a capitalist—Mr. J. Gibson, I.A.R., Vice-Chairman of the United Dominion Trust: so you cannot expect him to be a Bolshevik or a Communist. He says:

"I went right along the Crimean coast and every palace there has its quota of workers holiday-making. All the palaces and mansions have been turned into rest-houses and sanatoria for the workers, or into museums."

What is wrong with that?

"Do not under-rate the Russians or their plans, and do not make the mistake of believing that the Soviet Government must crash. It may, of course, for nothing is sure in this world, but there is yet no sign of a crash. At the present moment the Soviet Government is firm in the saddle, and whatever those who have been deprived of their property in Russia may have to say, you can take it from me that the younger generation is fanatical in its zeal for the Government and for the economic plans of the Government. And, perhaps, the most important of all, all these youngsters and workers in Russia have one thing which is too sadly lacking in the capitalist countries today, and that is hope. I talked to many of these workers; not people who were brought to me to talk to, but people I met casually in the streets, in factories, in trains and towns, in the holiday centres; their belief in their *own* and their country's future, working along present lines, is a religion of zealots."

That word "own" is a very important word, because there everybody thinks it is his own, and so he must succeed:

"The people now are undoubtedly poor according to our standards, but, as they say, they are building for themselves. Russia today is a country with a soul and an ideal—Russia is not 'muddling through'. The Russians have made many mistakes and will make many more, but there is no casual muddling. They are working to clear cut plans. Russia is a country of amazing activity."

Further on, he says:

"I believe that the Russian objective is sound. I hold no brief for her methods, or her theories, or for her manner of achieving that objective. It is not socialism it is a mixture of communism, State capitalism and private capitalism, and the last ingredient must be and is being increased in quantity; but that Russia's objective is one to which all civilized people should direct their attention today is surely beyond question. In a word, it is scientific and planned production to maximum capacity, coupled with scientific planned and equitable distribution, so that the standards of life can be in accordance with nature's and man's capacity to produce and man's capacity to enjoy. That must be our objective also, and I believe we can achieve it in our own way by evolution, by a steady going forward, but we will not achieve it without a change of mind."

So, I say, unless this Government changes its mind, nothing can be done. The old days of prestige are gone. There are people who have made up their minds to turn out this Government unless they come to their senses and change their mind. With these few words, I resume my seat. (Applause).

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division: Non-Muhammadan Rural): Sir, I must, first of all, thank you for giving me a chance, at this fag end of the day, to speak on this subject with which, I must confess, I am not very familiar. I listened to the speeches in the House with very close attention, and I enjoy the repartees and play of tempers of Honourable Members of both sides, solve my doubts and have my lessons. Sir, if I speak anything which may not seem to be appropriate to the occasion, I hope I shall be excused.

Sir, when I think of the budget, I think of the realisation of the taxes and duties, specially as to the mode in which they are realised and how they are irresponsibly spent. Our people have unanimously and unquestionably been declared to be very poor, and these poor people bear the cost of this costly administration without any proper return. But, Sir, we are absolutely helpless.

Sir, to me life is eternal, and I believe in one single number and that is number One, which is infinite. Really speaking, I never care to think in terms of figures which we find in the big volumes which have been presented to us which require practice of notation and numeration. Sir, we are really tenants of life, and our dividends depend upon the proper use of our lives. We are entitled to that. If we do not get the proper value of our life, if these 350 millions of people do not enjoy life under this Government, then this Government is not worth having. We have been presented with a surplus budget on which stands this Finance Bill. I cannot understand how we can have a surplus budget at all. Almost all the provinces have presented deficit budgets, and particularly Bengal, which could have claimed to have a balanced budget, if the duty on jute had been given back to Bengal. If that had been done, I ask the Finance Member how he could have produced a surplus budget of the Central Government. Further, Sir, on the one hand the Honourable the Commerce Member says that, on account of the economic depression, railways have been losing very heavily all round, and so, for years and this year there has been a heavy deficit, and he could not produce a balanced budget this year, while, on the other hand, the Honourable the Finance Member presents us with a surplus budget and bases it on improved finances of the country. Sir, whom are we to believe in this matter? None, perhaps, because, we are asked not to believe in *Rajpurusha*. This sort of budget reminds me of a well-known businessman who had business in all parts of the world. He lost all round in all his branches except in one in which he had some profit, and that profit, according to his terms of business, he had to distribute to his people, and the next morning he had to burn a red candle and file a schedule of insolvency. But, Sir, happily this is not the case with our Finance Member, because he finds that the power of recuperation is increasing in our country, and, based on that, he gives us a surplus budget. I would thank him, Sir, if he could give us a catalogue of the good deeds that he has done with the money he had, instead of giving us this budget, which is not really a surplus budget,—good deeds in the way of agricultural and industrial improvements, health, education and unemployment questions. I am afraid, Sir, that he has not been able to rise above his bureaucratic mentality and the policy which has been introduced into the Government of India since 1765. He is a great economist and is given a position in the Government which is only next to

that of the Viceroy, and in him lies the weal or woe of 350 millions of people. In his budget speech, he says, on the financial year 1935-36:

"The revised forecast for the current year also indicates a considerable improvement over our estimates of a year ago and we now anticipate a surplus of Rs. 2.42 lakhs instead of Rs. 6 lakhs."

We could never have expected such a difference between actuals and anticipation from a man in his position and of his ability. Again, he writes on the financial results of 1934-35:

"Last year, I anticipated that they would disclose a surplus of Rs. 3.27 lakhs. The actual figure has proved to be Rs. 4.95 lakhs."

Sir, is this budgeting? It looks like an auditor's report! This sort of budget cannot satisfy us. Sir, I say that the policy which had been introduced at the start of this British Government is being carried on till today, and I wish that my Honourable friend, the Finance Member, had changed it in his term of office. The policy first began from and between 1765—1770 which were years of famine, and, since then, the policy has been continuing and continuous exploitation of the people is going on without remorse. The recuperative power of India was there, and, therefore, India is still carrying on. But, there is a limit. The policy has brought about abnormal poverty, which today is manifest all around us. This will be borne out by a comparison of the average income of an individual Indian and of anybody else in any other country, and, also, by the incidence of disease and death, the mortality which is prevailing in India, not only of infants, but in general, as compared with that of disease and mortality of other countries.

1 P.M.

Next, Sir, the educational policy: as the author of the present educational system, Lord Macaulay, wrote:

"We must, at present, do our best to form a class who may be interpreters between us and the millions we govern, a class of persons, Indian in blood, and colour, but English in taste, in opinions, in morals and in intellect."

Sir George Anderson, the present Educational Commissioner with the Government of India, in his note, prepared for the Punjab Unemployment Committee, said:

"Our educational system was moulded to the special object of preparing the boys for external examinations, the passing of which is for many, only a snare and a delusion, with the object of training boys for clerical vocations which are now proclaimed to be overstocked and which offer insufficient avenues of employment to large throngs of applicants."

He describes a matriculate as a derelict, a wanderer on the face of the earth, unemployed, because he is unemployable. He might as well say the same of the graduates, Sir. The present educational policy has been condemned, because, to quote the Bengal Committee on Unemployment:

"It is like a bamboo, each joint being an examination and the diameter remaining practically the same size from the root to very nearly the top. It has no branches and the crowning top covers a very small area."

The economic development of the country will have to be included in any scheme of educational planning. The Bengal Committee on Unemployment have pointed out that a mere provision of facilities for technical training may help for a little time, but it will not solve the problem

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unless, at the same time, economic development takes place simultaneously with external assistance. The British Government in India has not changed a little of the policy which was initiated at the outset with regard to education. Cultural conquest by education—this has been the basis of educational policy. This is strangling the very soul of India and feeding fat on the economic theories of which the Finance Member is a great exponent. Economic planning and politics go together, and the political policy adopted by the British Government, at the initial stage, remains the same, and, consequently, economic policy continues.

Sir, the next one is policing and military. Having exhausted the economic power of the people, having exhausted the cultural influence of the people, the Government now carry on their administration by policing and policing ruthlessly. While crime is increasing in arithmetical progression, the expense on policing is increasing by geometrical progression. With regard to this, I shall avoid repeating the old stories. But, Sir, this sort of policing depends upon certain laws, which are known as Lawless Laws. The Government of India have forged certain laws which really do not allow the police or the magistrate to break the heads of the people, to kick them, to treat them with slaps, to duck them to death, to burn their valuables, to remove all their movables without any punishment, to break their household deities and do all sorts of outrages against women. That we know, but, Sir, yet they have been doing it on the strength of such laws, without any fear of punishment or fear of public opinion. Sir, are we to pay this police expense simply to be treated to this sort of outrages, and I should appeal to the Honourable the Finance Member to take into consideration the expenses he will sanction for the policing of India. Sir, I can give him a very interesting story about the policing now going on in Midnapore. It is within my personal experience. I would not have brought this personal matter on the floor of the House, had it not been discussed here a few days ago. Sir, I now come to the incidents of 1936. Our friend, Mr. Griffiths, who was a Member of this House a few months ago, was the magistrate of Midnapore last January.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Mr. Amarendra Nath Chattopadhyaya: Mr. President, I was relating my story about the method of policing going on in Midnapore. I said that I would not have brought up this personal matter if it were not discussed previously. You know, Sir, sixteen years ago, the Village Self-Government Act was passed in Bengal, and, while the late Sir Surendra Nath Banerjea was the Honourable Minister, he had established this union board in Midnapore. But, as the Midnapore people objected to this and fought against the establishment of this institution, Sir Surendra Nath, who was once the leader of Bengal, or, for the matter of that, of India, and who had respect for public opinion, withdrew the union board from Midnapore.

Sir, in this connection, I have to introduce the name of the late Mr. Birendra Nath Sasmal, in whose place I am here, and who had led that movement against the union board, with consummate skill and success. Since then, there was no union board in Midnapore. Of late, Sir, just after the death of Sasmal, whose leadership still survives him, whose name has the same old charm with the masses, Mr. Griffiths took it into his head to re-establish that union board, which was thought to be bad at the start and which the people of Midnapore think to be as bad, even now, as it was before. But, Sir, they did not object to the establishment of a union board on any other ground than the ground of economy. You know, Sir, famine has been staring them in the face just at the present moment in the Burdwan division which I have the honour to represent here. In Bankura and Hooghly, famine has already been declared; and these people of Midnapore, who could scarcely pay the *Chaukidari* tax easily, and for the realisation of which the Panchayat President had to resort to the selling of their utensils and their cattle, apprehended greater tyranny, and hence they wanted the Honourable the present Minister of Bengal to intervene. As the representative of the district, they approached me, and I had correspondence with Mr. Griffiths on this matter. I requested him not to hurry it through and asked him to consult the Congress workers there who had led these people at the last Civil Disobedience Movement, went to jail, and who really had influence with these people of Midnapore district. Contai and Tamulk were mainly the two sub-divisions where these union boards were to be introduced in the first instance. Sir, they wanted me to interfere in the matter, and I, as a constitutionalist, requested them, advised them, to approach Mr. Griffiths personally, by representations, and by petitions, and also the Honourable the Minister of Local Self-Government. That they did. They sent petition after petition. Ultimately, they wanted me to come and see for myself how the matter stood.

Sir, I made a programme of my tour in Tamluk and Contai and sent it to Mr. Griffiths requesting him kindly to see that I might get accommodation in the dak bungalows which he had really arranged for. But, Sir, on my arrival at Kolaghat, just when I was on my way to the bungalow, I was served with a notice under section 4 of the Bengal Security Act of 1932, asking me not to address any meeting in connection with union boards or to discuss the question of union boards. Sir, I felt helpless, because I was not then prepared to disobey the notice and I read out that notice to the huge gathering of people there, and who were assembled there in order to hear from me whether I would be able to do anything for them in this matter,—as the people have a very exaggerated notion of the powers of the legislators of the British Government. Sir, I did not address the meeting. They read an address to me, to which I replied, and I told them how helpless we were in the Legislative Assembly to help the people in any way when a simple magistrate or even a simple *Chaukidar* thought fit to oppress any people anywhere in India. Sir, I was ill and so came home after the meeting, and, in the next week, I had fixed up to go to Tamluk and reached there after writing letters to Mr. Griffiths intimating him about my changed tour programme. I arrived in Panchkura station and I found one inspector and an additional magistrate waiting, but they gave me no trouble. I went to the different villages, and then, finally, to the Dobandhi dak bungalow, where I saw the circle officer, the inspector of police—all were cordial to

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me, they were very friendly to me. I simply replied to the address which people gave me there without entering into the question of the union board. I literally carried out the orders of that great magistrate, and when I was passing from place to place, I am sorry to say, but I am not surprised, my car was being searched—either because of my companions or because of me, I do not know. I was going to Mohisadal from Moyna thana when the inspector of Tamluk first approached me and told me, that I should not address any meeting on that day, as only at that moment they had received a message of the sad death of His Majesty the King-Emperor. Sir, that did not upset me, because every man with gentlemanly instinct would not have addressed any meeting on any account on that day. Then people thronged round about me and around the car stating that the police were beating them. However, I went to Mohisadal and had conversed with Raj people and then I started for Sutahata where I was searched. On my way, I was talking to one Rash Behary Jana, my guide, on that side of the thana, but, later on, on the same evening he was taken down from my car, and arrested and was given an order of home internment under the same section of the Bengal Security Act. I spent the night at Sutahata and dispersed another great gathering of men on account of the sad demise of His Majesty the King-Emperor next noon, simply reading out to them the order of the magistrate. I dispersed the meeting and then went to Contai. Sir, all the villagers were threatened and they were even asked not to give me any food. The gentlemen who had arranged for my food were afraid to send my dinner to the dak bungalow where I was staying. They were so much threatened by way of physical and punitive measures that the whole peasantry of Midnapur had been nervous and they could not approach me in the right spirit to place before me their grievances for which I was invited there. But, in spite of that, many came and gave me to understand that only for a few years more, owing to the economic depression, they would request the district magistrate, Mr. Griffiths, not to establish union boards, for, if union boards were established, they would be obliged to pay taxes which they would not be able to pay owing to the depression. Simply on economic grounds, they were opposed to the establishment of a union board, but Mr. Griffiths would not listen to their prayers. Just on the point of my leaving Tamluk, just while the train was to arrive at Panchkura station, another companion of mine, by name Sridhar Chandra Samanta, who was accompanying me all along, was served with another notice of home internment. Kumar Jana, a devoted Congress worker of the sub-division, was formerly interned, simply because he invited me to go there to have first-hand knowledge of the situation.

There is another sad tale for me to tell. When Mr. Griffiths was holding a durbar in Kulaghat, I went to him to know the time of the durbar, so that I might be present there. He had kindly replied to my wire, telling me that he had reserved a seat for me, but, unfortunately, I could not go. Three young men who had come to invite me there to be present were harassed, and two were arrested and interned at home and one was kept in custody for the whole night and sent back to Calcutta next morning. This is the way how policing is going on in this time of peace in Midnapur and during this period of famine and depression. Externment orders of respectable gentlemen in Midnapur are still

there. A gentleman by name Mr. Manmatha Nath Das, the leader of the criminal bar, who had extensive practice at the bar, earning more than Rs. 2,000 a month, had been thrown out of his scene of activities and had been compelled to go to Calcutta, turned out of his ancestral home, to eke out his livelihood there depending on the patronage of his friends. Sir, there are several cases of externment like these. Curfew orders are still existing; no young man can go out of his home after sunset in the Midnapur district and the curfew order has been standing for over two years. Every one knows that there has been no case of overt act of any kind in Midnapur during this period. People whose houses have been looted, people whose houses have been burnt, people whose paddy and granary has been destroyed, people whose women were outraged, kept non-violent all the time, and yet they are suffering all this tyranny. I appeal to the Honourable the Finance Member to enquire into this policing and to see how the expenses he has sanctioned for policing is being spent, and I hope that he, in consultation with the Home Member, will help Bengal, at least by curtailing this heavy expense for policing. I know it is very difficult for me to induce the Government, which has great faith in brute force, to stop this practice. I say this because I see that this Government always have an inclination to promote only those officers who pander to deeds of brutality and who really help in the prosecution of these young men. I shall remind the House of the case of Mr. J. P. Roy, sub-divisional officer of Mymensingh, who made himself notorious in the warehouse case where shooting was started by the then additional magistrate, Mr. Suresh Chandra Ghatak, who has been found to be one of the most corrupt of human beings in the position of a magistrate . . . .

Mr. President (The Honourable Sir Abdur Rahim): Order, order; the Honourable Member must withdraw that remark.

Mr. Amarendra Nath Chattopadhyaya: Very well, Sir, but it has been proved, and he has been dismissed by the Bengal Government.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member say that he has been found guilty of the offence?

Mr. Amarendra Nath Chattopadhyaya: Yes, Sir, and he has been dismissed. I leave it there. I do not want to touch these dirty cases.

These cases do not come out before the public, because we have not got that organisation which can help us in this matter. There is another case, Sir, of Khan Bahadur Maulvi Shaifuddin, made a public prosecutor, who had organised a loot at Kishorganj.

The Honourable Sir Henry Craik (Home Member): Is that in order?

Mr. President (The Honourable Sir Abdur Rahim): The Chair did not catch the Honourable Member. Will he kindly repeat it?

Mr. Amarendra Nath Chattopadhyaya: There was a loot at Kishorganj which was practically organised by one Khan Bahadur Maulvi Shaifuddin.

Mr. President (The Honourable Sir Abdur Rahim): Has that been found by a Court? Otherwise, he should not make that allegation.

Mr. Amarendra Nath Chattopadhyaya: All right, Sir, I drop that.

Sir, the tales of tyranny which is going on in Bengal, in the name of law and order, are sad tales no doubt, but we, legislators, either here or in the Provincial Council, are absolutely helpless to do anything in the matter. We can neither dismiss a magistrate nor a sub-divisional officer, nor a *chaukidar*, and we have to vote their pay. Therefore, I appeal to the Honourable the Finance Member to take this into consideration, to take this helplessness of the people into consideration and sanction such money as would be indispensably necessary for the police.

Sir, I do not desire to compile the statistics of the money spent on the police and the heavenly secret service. I come now to defence. The military expenditure, which has been criticised in this House, year after year, is going on increasing. Are we to meet the expenditure for sending out soldiers to the villages to terrorise them and to dishonour them and to keep them always under threat? Are we to spend money on military defence on such accounts? Here also we feel the helplessness of these 350 million of people, unarmed and unprotected; unarmed under the Arms Act, an unrighteous law, and unprotected, that is, without any law to protect them, and yet there is a Government which sits over them and is maintained by their taxes. Sir, this army of occupation has been a burden on the people, on the poverty-stricken people starving from day to day without any remedy. Sir, I appeal to the Finance Member to take this matter into consideration again. This is the third head of the policy I am discussing,—the policy of exploitation, the policy of conquest of culture, the policy of policing and military, and, lastly, this legislative policy. Such a humiliating and specious institution could only be devised by a Government which Mahatma Gandhi has rightly called Satanic. Satan devised a plan for avenging God by corrupting man whom He had created in His own image; and the British statesmen devised this Legislature to wean away patriots from the right path of service to their great and fallen country and turning them away from their proper field of activity to these hollow and sham fields of logomachy. The Finance Member may ask me why I have come here. I may tell him that it was a pure and simple chance. Mr. Griffiths had arranged my stay in a *better place* no doubt, but the Government of Bengal had unwittingly interfered.

An Honourable Member: You should be grateful to them!

Mr. Amarendra Nath Chattopadhyaya: I do not know whether I should be grateful for coming here or for being sent to jail.
3 P.M. Perhaps the Government of Bengal thought this place to be better suited for the purpose of dimming the light and fire of Indian life by the slow process of a debating club. When I came here, I did expect to expose the hollowness, at least the shamness, of this House, but Sardar Sant Singh has deprived me of that also. By his motion of privilege, he has taken away the privilege of sending my speeches to the papers; they would not venture to print them. But, Sir, I am standing here to tell the Treasury Benches that the time has come for a *new orientation*, because India is the political danger of the world. All nations are now preparing for war. Why? Because they are all jealous of one another, and mightily jealous of the British power, because British power holds India. So, a new orientation is necessary. The old policy has to be changed. The Honourable the Finance Member admitted that India has a wonderful

recuperative power. A greater truth than that has never been said by any one, but this recuperative power has almost gone. The power lies in the manhood of the nation, it does not lie in money, nor in wealth, nor in commerce. We had an independent India. Why did we lose our independence? We had our commerce, we had our industries, we had our education, we had everything that is necessary for a nation. Why did we lose India? Why did the Hindus lose India and why did the Muslims and Hindus together lose India when the Britishers came? It is due to want of manliness; individual manliness does not pay, national manliness is wanted. If the recuperative power of India is to be restored, it is to be restored by helping the people to become manly, and not by this sort of exploitation of unarmed people. It is the duty of any Government, which calls itself civilised, which calls itself free, to give us that liberty which Britain enjoys—liberty of speech, liberty of thought, liberty of movement, liberty of action. Then alone can this recuperative power be restored.

By the way, I should like to relate a story of my interview with one of the very old schools of officials of Bengal whom I met in 1922. He asked me, in that interview: "Why don't you like the British Government, have not the British Government given a better rule? Why are you annoyed with this Government?" I asked him in return, "Would the people of England like to have a better government under the Germans?" He said "No". I asked him, again: "Whether British youths would allow themselves to be treated as inferior to the Germans in England if Germany conquered England?" He said: "No". Then, I asked him: "Why you expected Indian youths to be satisfied with their position in India, and whether you would like England to be exploited by Germany?" He said: "No". Then, I asked: "Whether you would like the British people to be deprived of the right of free speech, the press to be gagged, and associations banned by promulgation of Ordinances?" He said: "No." If he would not like these things, why should he expect Indians to like the British to be here indulging in these things and yet posing to be giving good Government.

Mr. M. A. Jinnah: Because Indians are willing.

Mr. Amarendra Nath Chattopadhyaya: Did not Indians accept the foreigners at their face value? Yes, they did.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): They were forced to accept them.

Mr. Amarendra Nath Chattopadhyaya: I do not know if they were forced to accept them; I think they willingly accepted . . . .

Sir Muhammad Yakub: Otherwise, they would not have been here.

Mr Amarendra Nath Chattopadhyaya: The other day, Sir James Grigg gave us a sermon on decent administration, purity of character and discipline. I request the Honourable the Finance Member to read again the history of the British occupation of India. I request him to read the Act of Parliament of 1833 and the Proclamation of the Gracious Queen Victoria of blessed memory. How have they been honoured both in England and in India? Did not Her Gracious Queen say:

"In India's prosperity will be Our strength, in India's contentment Our security and in her gratitude Our best reward." Digby's "Prosperous British India."

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): This is the old testament.

Mr. Amarendra Nath Chattopadhyaya: Did not Lord Lytton say (Digby's Prosperous British India):

"The Proclamation of the Queen contains solemn pledges spontaneously given and founded upon higher justice."

Did not Her Gracious Queen in her Jubilee say:

"It has always been and will continue to be My earnest desire that the principle of that Proclamation should be unswervingly maintained?" (Digby's Prosperous British India.)

Did not Lord Curzon say that India was the pivot of the British Empire, that if the Empire lost any other part of the Dominions, they could survive, but that if they lost India, the sun of the Empire would set? Sir, Lord Roberts said (Digby's Prosperous British India):

"The retention of our Eastern Empire is essential to the greatness and prosperity of the United Kingdom: but essential condition of retention, does not depend upon brute force, but however well equipped the army of India may be, were it needed absolute perfection and were its number considerably more than they are at present our greatest strength must ever be and rest on firmer basis of a contented and united India."

Mr. President (The Honourable Sir Abdur Rahim): The Chair would remind the Honourable Member that there are other Honourable Members who want to speak.

Mr. Amarendra Nath Chattopadhyaya: Sir, I have not spoken all these days . . . .

Mr. President (The Honourable Sir Abdur Rahim): That is no reason why the Honourable Member should deprive other Honourable Members, who wish to speak on this Bill, of their opportunity.

Mr. Amarendra Nath Chattopadhyaya: In point of purity, I shall quote a few words of the Court of Directors:

"The vast fortunes acquired in the inland trade have been obtained by most oppressive conduct that ever was known in any country or age."

With regard to policy, I shall quote a few words. The late Mr. Thackeray said (Digby's Prosperous British India):

"It is to our interest to retain in our hands such power and influence as is consistent with the preservation of the rights of the people." (*Social rights certainly.*)

But, in India, naughty spirit, independence and deep thought, which possession of great wealth gives, ought to be suppressed:

"We do not want generals, statesmen and legislators; we want industrious husbandmen."

The effect was, Sir, social and mental degradation of the nation:

"The preservation of our dominion in the country requires that all the higher offices should be filled with Europeans and that all offices which could be left in the hands of natives without prejudice to our might might with advantage be left to them."

With regard to corruption, he says (Digby's Prosperous British India):

"We have had instances of corruption among Europeans notwithstanding liberal allowances; but if the number of Europeans be considerably augmented and the allowances somehow reduced, it would be contrary to experience to believe that corruption would not greatly increase, and more particularly as government cannot possibly exercise any efficient supervision over the misconduct. If we are to have corruption, it is better that it should be among the natives than among ourselves, because natives will throw the blame upon their own countrymen."

Sir, in this way, if they have established power, what is it worth? If it is founded on vice, if it is founded on ignorance and misery, that power cannot stay . . . .

The Honourable Sir Nripendra Sircar (Leader of the House): Then, why bother about it?

Mr. Amarendra Nath Chattopadhyaya: We want to correct it.

Mr. M. A. Jinnah: You want to continue the power?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should now conclude his speech.

Mr. Amarendra Nath Chattopadhyaya: I have many things to say . .

Mr. President (The Honourable Sir Abdur Rahim): But time is limited.

Mr. Amarendra Nath Chattopadhyaya: I was given to understand that there is no time limit in this debate . . . .

Mr. President (The Honourable Sir Abdur Rahim): Yes: there is no time limit: if the Honourable Member goes on like this and deprives other Members of the House of their right, then surely the House will know how to enforce it.

Mr. Amarendra Nath Chattopadhyaya: Then, I shall close. Sir, when I was expecting to continue my speech, I have been asked to stop. I know there may be possibility of speaking on the amendments hereafter and on the third reading; so I shall cut my speech short.

In Bengal, the question of the Communal Award is very strong. Communalism is not strong there, but the Award has been questioned and Bengal has proved at the last election how she felt. Now, the Honourable the Leader of the House had rightly said that the question is dead. In Bengal, when the elections were going on, the difference between the Congress and the people was very strong. Now, the Bengal Congress has solved that question and has unanimously taken the attitude which the nationalists of Bengal have taken. Therefore, he is right that it is dead; but the pinch is there. As nationalists, they revolted against it in the Bengal Council, but they feel their helplessness. I shall quote for my Muslim friends here, how a Muslim youngman feels about this matter of communalism—Mr. Abdulla Aziz Azad. He had been away

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from India in the days of the *hijarat* and went to Afghanistan. He writes:

"When I arrived in Afghanistan, I was not allowed to stay in Kabul, and was sent with the party to a village . . . Thus days passed with us as years, and weeks as decades. With every day our grievances grew. We had time naturally to think out our political programme and we quickly realised how we had been in India and what great folly we had committed in sacrificing ourselves in the interests of other countries that did not care for us and which looked upon us as being brainless puppets. This little village and later on Angora proved to be unique and unparalleled school in moulding us into strong nationalists. Most of us who had left India finally realised that our sacrifices could only be useful if they were made for the cause of the country in which we were born, that our best and dearest friends could only be our own compatriots, and that irrespective of caste, creed or religion, we must unite ourselves into a mighty strength against which the most furious waves of power in the world would be as nought."

Sir, this comes from a Muhammandan young man. I know there are many Muhammadans like him.

Sir, the other day, when passing by the Kashmiri Gate, I marked the signs of cannon balls on the gate. It reminded me of the days when Hindus and Mussalmans stood side by side, shed and co-mingled their blood for the cause of the country and fought side by side for the sake of the country's freedom . . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must talk on the Bill. He is talking on all sorts of irrelevant things. He must talk on the Finance Bill.

Mr. Amarendra Nath Chhattopadhyaya: But, Sir, communal questions have been allowed to be discussed.

Mr. President (The Honourable Sir Abdur Rahim): Communal questions like the Communal Award have been discussed.

Mr. Amarendra Nath Chattopadhyaya: I am not an economist, Sir. I am a nationalist. I shall accept every man who talks of India as his own home as my brother. I know, Sir, they do not want this Communal Award. The nation and the community, which stood side by side 70 years ago to die for the freedom of the country, cannot be satisfied with small mercies in the shape of loaves and fishes. I know both Hindus and Muslims will agree in baffling the attempts on the part of the Government to separate them. Sir, I shall close my speech abruptly without going into many matters I had a mind to speak about. I had to say a good deal on many subjects.

Sir, if there is fundamental disorder at the base of the organisation, unless that is cured, no attempt on the part of the Honourable Member to present a satisfactory budget will succeed. Here, we have symptoms of the disease, and not the disease itself. The world has spun out of its centre of gravity, and it is panting for its equilibrium, and unfortunately it is really failing in its breath. Vested interest is blocking all doors against reason, equity and justice. England talks of the restoration of the peace of the world, but she herself is failing, as she has failed, to adjust her relations with India. She still wrongly thinks India to be a subservient slave to add fuel to the fire of her greed for power and wealth. Had

England treated India as a friend and equal, she would have been a perennial source of strength to England. To go off the gold standard, to tag rupee to the sterling to stabilise the exchange, to control production, to export distress gold out of India, will be in vain unless the root cause is removed. Sir, in Bengal, they are trying to restrict production of jute to raise the price of food stuffs and help agriculturists, but would that really help them? With the heavy national debt heaped on the helpless people and abnormal amount of interest to pay on that unfair, unjust, iniquitous debt, the agricultural indebtedness of the teeming millions, of the ignorant helpless masses, going on increasing with this, the hopelessly top heavy administration to add to their burden, an irresponsible bureaucracy, an unsympathetic Government relying for peace on costly police and military force, and the more costly secret service and lawless laws, pampered with ordinances and certification, with all these and sundries the Government expect to restore peace. No, Sir, it is impossible to restore peace in this country under present circumstances. So far as India is concerned, the Finance Member has to take courage in both hands and declare like Herr Hitler that India shall not pay her debts, at least those debts which were not incurred for her own benefit. Sir, India had no debts, nor did she feel the necessity to be indebted to anybody in the world. She is a self-contained country, and there is no need for her to be a hanger-on on any other nation. Every country, every nation depends for its food and nourishment and for its wisdom on India. If the Finance Member has that clear vision, I am sure, he will try to do justice to his responsible position, and India's wealth which has been taken away will be restored. I know, Sir, I cannot expect too much from the Finance Member, but young as he is perhaps he will be able to see the defects in the present system of administration. I hope my appeal will not be in vain, and so long he will follow the old rut left by his predecessor's carts loaded with exploited wealth of India, he will have to present to the Assembly a monotonous humdrum budget which does credit neither to himself nor to the country. With these words, Sir, I leave the matter to the House and ask them to reject or accept the entire Bill and to tell the Finance Member that he is free to withdraw the Bill and present a better one.

The Honourable Sir James Grigg (Finance Member): Sir, the Deputy Leader of the Congress Party said towards the beginning of this debate that he did not think they would have much to say about the Finance Bill. It is true that he did once forget himself, and, at the end of his speech, he threw in a few perfunctory remarks about a plunderer's budget and a robber's budget, but his heart was not in it, and apart from these two perfunctory references to the budget, he justified his own prophecy as far as his own speech was concerned at any rate. And of course everything that has happened since confirms his prophecy. In fact, in nine out of ten of the speeches we have listened to so far, there has been nothing at all about the Finance Bill and not even anything generally financial or economic. We have had considerable orations on such topics as the following: The Publication of "India in 1933-34", the Hindi-Gurmukhi Circular in the North-West Frontier Province, the Privileges of the Members of this House, the Communal Award, the Shahidgunj Dispute, Military Policy, the League of Nations, the Italo-Abyssinian Dispute, Regulation III, and I gather, I do not know what the last speech was all about, but I gather it related to the history of civilization and the rest of

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the world (Laughter) from the earliest times. Then, we have had a disquisition on the necessity of the domination of Europe by Asia as a panacea for all the world's ills. The last mentioned was raised by Pandit Malaviya who, at another stage of his speech, impinged on finance without knowing it, I believe, like the Bourgeois Gentilhomme when he found he had been talking prose without knowing it. The Pandit talked of the ability of the Swaraj Government to enlist some two or three crores of young men in the army.

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Cannot we do it if it is necessary?

The Honourable Sir James Grigg: Let us look at the financial implication of this. Let us assume no more than a small pittance of Rs. 10 a month as the cost of each soldier; the cost of three crores of soldiers at this rate would be Rs. 360 crores of rupees a year, a bit of burden on the Swaraj budget that.

Pandit Krishna Kant Malaviya: I did not mean that all the 3 crores should be raised at once; I only meant that one could if one so chose.

The Honourable Sir James Grigg: You have had your say. Whether he talked of finance without knowing it or not, of course, it is impossible for me to say, but he certainly seemed to me to have talked without thinking seriously, and if it would not be misunderstood in these hyper-sensitive times, it certainly seemed to us that he was talking concrete nonsense.

Pandit Krishna Kant Malaviya: So far as you are concerned, because you are not prepared . . . .

Some Honourable Members: Order, order.

The Honourable Sir James Grigg: The only speech, practically the only speech, which dealt closely with the Finance Bill was, of course, that of the Leader of the European Group. I will first deal shortly with that, and then I will come to two other speeches, which, though saying nothing about the Finance Bill, nevertheless, did touch on questions of general economic policy. Those are the speeches of the Deputy Leader of the Opposition and of Sir Hormasji Mody. The first half of the Pandit's speech dealt with the history of British rule in India, and I will remark on that separately, but as briefly as I can. The second half of it and the whole of Sir Hormasji Mody's speech dealt with the subject of industrialisation, and this second half of the Pandit's speech and Sir Hormasji Mody's speech I will try to bring into their proper relationship and devote the main or a considerable part of my remarks to an effort to bring them in into such relationship.

Sir Muhammad Yakub: But of the two halves, which was the better half?

The Honourable Sir James Grigg: I am not an expert in valuation.

First of all, let me take Sir Leslie Hudson's remarks. My Honourable friend complained that on the last occasion I spoke, I devoted too much of my speech to the Honourable the Baronet from Bombay and too little to the motion under discussion. I think perhaps he was right; at any rate, I do not propose to make the former mistake today.

Mr. S. Satyamurti: Some other mistake!

The Honourable Sir James Grigg: But, as regards the second accusation, I wish to say something in mitigation of sentence. First, I might be allowed to remark that a quite unfounded accusation of breach of faith is not a very effective inducement towards amiability on my part, and secondly, that to talk about emergency taxes as a whole, when you really mean the surcharges on income-tax and super-tax, is a little apt to darken counsel. However, I will try and make some amends for my inadequate attention to his remarks last time. First of all, the Honourable Member said that I had under-estimated last year. That is quite true, and I have already explained the reasons several times, namely, that in revising my predecessor's estimates for 1934-35 I was between 1½ and two crores below the mark. This miscalculation was carried forward into my own estimates for 1935-36, with the result that that year looks like ending with a surplus of something over two crores. But those mistakes have a common cause. In any case, I do not think that, as my Honourable friend, Sir Leslie Hudson, suggested, the revised estimates for 1935-36 are likely to show that there has been appreciable further under-estimating. We now have eleven months figures to go on, and, to give only one example, the receipts from sugar import duty in February were only Rs. 5 lakhs, whereas the corresponding figure for the year before was something over 20 lakhs, I believe, and it is now quite clear that we have over-shot the mark in the revised estimates for the yield of sugar import duty. It is only reasonable to assume that, having been convicted of starting from a datum line which is something between 1½ and 2 crores too low, that has been allowed for in making the revised estimates and in the estimates for 1936-37—in other words, I think it is only reasonable to say that the miscalculation has now disappeared. Certainly I have done my best to make it disappear, and I shall, for my part, be very surprised if next year's revised figures of revenue show any marked variation from the original forecast. If that is so, then there is certainly no further margin for bigger reductions of taxation than those I have ventured upon, especially as I have shown in my budget speech that there will be something like five crores, it may be more, of extra burdens in 1937-38, the year following the one we are discussing, and these, as I tried to show in the budget speech, can barely be met by carrying forward the windfall of the unallocated surplus of the year 1935-36. With so many contingencies to face, how can we take the risk of dissipating our resources still further? Provincial autonomy must take the first place in my mind.

Mr. S. Satyamurti: Why? You are the Finance Member of the Government of India.

The Honourable Sir Nripendra Sircar: Don't interrupt him like that.

Mr. President (The Honourable Sir Abdur Rahim): Let the Honourable Member (Sir James Grigg) go on.

Mr. S. Satyamurti: I simply asked him why.

The Honourable Sir James Grigg: Provincial Autonomy must take the first place in my mind at this juncture.

Mr. S. Satyamurti: Why?

The Honourable Sir James Grigg: That is obvious, (Laughter), possibly not to a Madrasi.

Mr. S. Satyamurti: We have a sound budget there.

The Honourable Sir James Grigg: And I do not think that the European Group can really mean that the income-tax surcharges must be removed even if it means postponing the first stage of the reforms. As for the surpluses of 1936-37 and 1937-38, the suggestion that I should here and now promise to use them—if and when they arise—for this purpose, that is, for the purpose of removing income-tax surcharge in advance of everything and whatever the situation, including I suppose, a reduction in the postcard rate, —I do not like, in spite of all appearance to the contrary,—I do not like to be obstinate, but I have seen so many contingencies crop up in the course of a year and so many budget embarrassments caused by neglecting to prepare for contingencies, that I do not see how, in honesty, I can be more specific over this matter of the income-tax pledges than I have already been. Nobody knows what Sir Otto Niemeyer is going to recommend.

Mr. S. Satyamurti: Don't you?

The Honourable Sir James Grigg: Perhaps he does himself. And it may be, even if there is a surplus in 1936-37 it will be wanted to prop up the revenues of 1937-38, the first year of provincial autonomy, or possibly the second year, 1938-39. I say, therefore, that I cannot in honesty add to the pledges or make them more precise than I have already done. And I certainly do not want, in fact, I will not try to humbug the House with vague formulae which will, if they are to be made at all, have to be so protected that they will mean nothing. On the other hand, I do not seek for one moment to qualify the pledges, and though I cannot hope that my Honourable friends, in the European Group, will be content with what I have said, or appreciably more content even, at all events, I do ask them to be comprehending and charitable.

I should like now to come to the dissertation of my Honourable friend, Pandit Govind Ballabh Pant, on British exploitation in India. He made a lot of quotations from what sounded to me to be like our old acquaintance R. C. Dutt, and, with the aid of them, he painted the picture of a land, naturally fertile and wealthy, a people thrifty and clean and a golden age of peace and plenty down to the British conquest 150 years ago. After that, his picture changes. Poverty, disease, exploitation, emasculation, whatever that might mean. . . (Laughter) . . ., and so on. Of course, both pictures are quite unreal, and, although, as a general rule, I do not believe in disinterring the past, I do not think that on this occasion I should not let pass in silence this repetition of the charges which have so often been made and levelled at Great Britain by the Party opposite and so rarely supported by evidence. Of course, it would be easy to produce a direct contradiction from other speakers in the course of this debate of some of his theses. For example, compare his account of a thrifty people with Dr. Ziauddin's story of 1,200 crores of accumulated private debts and compare his account of a land flowing with milk and honey with Sir Hormasji Mody's story of a land of poor soil—I think I am quoting his exact words—and precarious rainfall which cannot support its teeming millions, even with the aid of a vast irrigation system, which incidentally has been instituted since the

British came to India. But I can do more than that. I can produce quotations, many of them from Indian writers, to show that neither his picture of an earlier golden age nor his picture of British exploitation will bear investigation.

An Honourable Member: Question.

The Honourable Sir James Grigg: References to famine are to be found in Indian literature from the time of the Vedas onwards. In Kautilya's *Arthasastra*, there are frequent accounts of famine, and, incidentally, there are constant allusions to the subject of taxation, including the taxation of salt. Even in the prosperous reign of Chandragupta, we are told of a famine which lasted 12 years. Then, passing on to 917 A. D., here is a description of a drought in Kashmir:

"One could scarcely see the water in the Jhelum, entirely covered as the river was with corpses soaked and swollen by the water in which they had been long lying. The land became covered with bones in all directions, until it was like one great burial ground, causing terror to all beings. The King's ministers and guards became wealthy as they amassed riches by selling stores of rice at high prices. The King would take that person as minister who raised the sums due on the guards' bills by selling the subjects in such a condition."

During the Muslim period, we find that as works of history and travel became more frequent, so do the evidences of famine and distress. Before the Moghul period, the more severe of these visitations occur in the reigns of Jalaluddin Khilji, of Mahomed Tughlak and Bahmani Sultan Firoz. This is the account of a Russian traveller who writes of conditions of life in 1470 during the Bahmani regime:

"The land is overstocked with people; but those in the country are very miserable, whilst the nobles are extremely opulent and delight in luxury . . ."

Then, at the time of Akbar's accession, this is what is said of the Governor of the provinces of Agra and Delhi:

"The people died with the word 'bread' upon their lips, and while he valued the lives of a hundred thousand men at no more than a barley corn, he fed his five hundred elephants upon rice, sugar and butter. The whole world was astounded and disgusted."

And again:

"Men ate their own kind, and the appearance of the famished sufferers was so hideous that one could scarcely look upon them. What with the scarcity of rain, the famine and the desolation, and what with uninterrupted warfare for two years, the whole country was a desert, and no husbandman remained to till the ground. Insurgents also plundered the cities of the Mussalmans."

Again, we find the following in the *Akbarnama* of Abul Fazl:

"In some districts and especially in the province of Delhi, it reached a most alarming height. If men could find money, they could not get sight of corn. Men were driven to the extremity of eating each other, and some formed themselves into parties to carry off lone individuals for their food."

Again, there are numerous accounts of a terrible visitation in 1630-32 in the reign of Shah Jehan and I will read only one of them:

"Life, says Abdul Hamid, was offered for a loaf, but none would buy; rank was to be sold for a cake, but none cared for it . . . . For a long time, dog's flesh was sold for goat's flesh, and the pounded bones of the dead were mixed with flour and sold . . . . Destitution at last reached such a pitch that men began to devour each other, and the flesh of a son was preferred to his love."

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and ,finally, here in Bengal, in 1770, we find:

"The scene of misery that intervened, and will continue shocked humanity too much to bear description. Certain it is that in several parts the living have been fed on the dead."

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): This was under British Rule. Brush up your knowledge of history.

The Honourable Sir James Grigg: They had been only 13 years any way.

Now, take the other side. (*A Voice*: "Name of the book please.")

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member might mention the name.

The Honourable Sir James Grigg: This is a collection from various writers. I can give the reference to all of them.

An Honourable Member: What is the collector's name?

The Honourable Sir James Grigg: This is Mr. Findlay Shirras quoting from various other writers. In most of these cases, the evidence is that of non-English people.

Dr. P. N. Banerjea: Was it under British rule or not?

The Honourable Sir James Grigg: All but the last were before the British ever came to India. Now, take the other side. There is no doubt that under the British regime, famine has disappeared (*Cries of* "Oh"), and that a far greater measure of security and peace prevails than ever before, though, for reasons which I could not fathom, my Honourable friend, Pandit Govind Ballabh Pant, seemed to regard these as grievances but there is a good deal more to it than that. Here is a quotation from Prof. Brij Narain:

"The British Government has done more to improve Indian agriculture and to increase production than any of our rulers in the past. Agricultural production in normal years is much greater than it ever was and, thanks to the development of irrigation and rapid means of transportation, the very meaning of the word famine has changed. No part of India has benefited more by the development of irrigation than the Punjab. Our canal system is one of the wonders of the world and its importance to the economic life of the Punjab is recognised by every one. Attention has also been paid to the improvement of agriculture. Among other things which deserve notice is the introduction of improved varieties of crops. While India's agricultural wealth and income have increased, the share taken by the Government as land revenue has steadily decreased."

Compare this with the situation three centuries before. This is a witness called Linschoten, who, I imagine, is a German. He refers to the poverty of people in South India:

"They are so miserable that for a penny they would endure to be whipped, and they eat so little that it seemeth they live by the air. They are likewise most of them small and weak of limbs."

Here is another quotation; it certainly is from an Englishman, almost the first Englishman to visit India, Sir Thomas Roe. He said:

"The people of India live as fishes do in the sea. The great ones eat up the little ones. For first the farmer robs the peasant, the gentleman robs the farmer, the greater robs the lesser, and the king robs all."

(Interruptions.)

This is three centuries ago. And here is another evidence from Bernier, whom I take to be a Frenchman, about a century later:

"Even a considerable proportion of the good land remains untilled for want of labourers; many of whom perish in consequence of the bad treatment they experience from the governors. These poor people, when incapable of discharging the demands of their rapacious lords, are not only deprived of their means of subsistence but are bereft of their children who are carried off as slaves. Thus it happens that many of the peasantry, driven to despair, by so execrable a tyranny, abandon the country, and seek a more tolerable mode of existence either in the towns or in the camps. Sometimes they fly to the territories of a Raja, because they find less oppression and are allowed a greater degree of comfort . . . the ground is seldom tilled except under compulsion, and no person is willing or able to repair ditches and canals. The whole country is badly cultivated and a great part is rendered unproductive for want of irrigation . . . No adequate ideas can be conveyed of the sufferings of the people. The cudgel and the whip compel them to incessant labour for the benefit of others."

An Honourable Member: What was happening in England at the time?

The Honourable Sir James Grigg: The Pandit's charge is not a real one.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): On a point of personal explanation, Sir. I am thankful to the Honourable the Finance Member for giving us so many quotations from obscure persons, but the gravamen of my charge was this that at the time the connection of Britain with India started, the two countries had an almost even standard of living: India was a manufacturing country and England had been importing Indian goods But during this interval England strove to destroy industries in India, and it destroyed the manufacturers at the outset, and England thus made phenomenal progress at the cost of India. (Hear, hear.)

The Honourable Sir James Grigg: I say that that picture is not a true one. (*Voices*: "How? How?") Sir, the whole thing is part of the ordinary stock-in-trade of the Congress propagandist, and this process of vilification is not a new one. Now, let me read another quotation—again something very interesting:

(Interruptions.)

Mr. President (The Honourable Sir Abdur Rahim): Order, order. Honourable Members, while they were speaking, criticised Government in very severe languages, and the Government Member is now criticising the statements previously made by Honourable Members,—in reply to their own criticisms.

The Honourable Sir James Grigg: I will give another quotation, and the object of this quotation is to show that this stock-in-trade—as I have referred to it—of the Congress propagandist is not a new thing, and I

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will read a passage which seems to me to have a surprisingly modern connotation. This is from Lord Curzon who, at the time, was Viceroy:

"There has always remained a school of thought that declined to be convinced. With them the poverty of the Indian peasant, the decline of the country, and, I may almost say its ultimate ruin have almost become an article of political belief, based upon sentiment rather than reason, and impervious to the evidence of facts. And the final argument that has always been used by critics of this class is the following: 'We are not impressed by your figures. We do not believe in your surpluses. We are not even convinced by your occasional doles. Not until you give a permanent relief of taxation shall we be persuaded either of the sympathy of Government or of the prosperity of the country. This is the sure and final test of the condition of India and of the statesmanship of its rulers.' Well, I feel inclined to take these critics at their own word and to invite them, now that we have subscribed to their test, to abate their melancholy, and to be a little more generous and less sceptical in the future.

There exists a school that is always proclaiming to the world the sad and increasing poverty of the Indian cultivator, and that depicts him as living upon the verge of economic ruin. If there were truth in this picture I should not be deterred by any false pride from admitting it. I should, on the contrary, set about remedying it to the best of my power at once. Wherever I go I endeavour to get to the bottom of this question, and I certainly do not fail to accept the case of our critics from any unwillingness to study it."

Again:

"It is not a stationary, a retrograde, a downtrodden, or an impoverished India that I have been governing for the past five and a half years. Poverty there is in abundance. I defy any one to show me a great and populous country, or a great and populous city, where it does not exist. Misery and destitution there are. The question is not whether they exist, but whether they are growing more or growing less. In India, where you deal with so vast a canvas, I daresay, the lights and shades of human experience are more vivid and more dramatic than elsewhere. But if you compare the India of today with the India of Alexander, of Asoka, or Akbar, or of Aurangzeb—you will find greater peace and tranquillity, more widely diffused comfort and contentment, superior justice and humanity and higher standards of material well-being, than that great dependency has ever previously attained."

Sir, no Englishman would wish to defend all that happened in India at the time of the conquest. No Englishman would deny that mistakes have been made since. But, on the whole, I think we can claim that India has been governed in the interests of India and not in the interests of the United Kingdom. (*Voices of* "Question, question" and "No, no".) Of course the usual nationalist theory of the fiscal exploitation of India has had to recede into the background since the reforms of 1919 and the fiscal autonomy convention.

Mr. M. S. Aney (Berar Representative): It is "fiscal autonomy fiction" instead of "convention".

The Honourable Sir James Grigg: We now hear much more of the drain of dividends, of pensions, of profits, of remittances, and so on, and I, therefore, turn aside to deal with these. Now, let me take the year 1934-35 which is the last year for which some sort of figures are available so far as Government accounts are concerned. The external payments on revenue account, which means non-capital payments—capital payments were very small in that year—were about £38 millions of which £26 millions was interest and dividends on foreign capital invested in India including Government loans. Even this interest on foreign capital is sometimes regarded as a tribute! So I would like to make two quotations, one from the Report of the External Capital Committee of 1925, and it is in itself a quotation from Professor B. Mukherjee:

"British capital has helped India in several other ways not easily realised, because they do not lie in the surface. We all welcome the increasing share of Indians in our industries. We are proud of those Indians who prosper in these lines. We are happy when they succeed. But it must be admitted that part of the reason why they succeed so well lies in the fact that the field for them had been cleared long ago by British capitalists. The losses of pioneer industrialism in this country were borne by them. The greater part of the capital which they invested did not become fully remunerative until after long years of strenuous waiting and work. The huge profits which these capitalists make—Sir George Paish puts it at £16 millions per annum—are seen; but the losses which they had to bear are not seen and are thus generally ignored. These initial losses are inevitable when a country is first sought to be developed. And these losses the British capitalists had to bear. But once the country is developed—as it is now—once railways and steamers are built, markets are established, demand is stimulated and created, population has increased, a labouring class is created and trained—all those who handle industries later on get the benefit of this development without being called upon to pay any price for it. Indian capital which is now for the first time financing industries has avoided all these initial costs of development. It has also escaped a good deal of such initial industrial losses. It is easier for the Indians to succeed than would have been the case if the British pioneers had not lost. England has still a vast amount of her money invested abroad on which she still gets no interest at all."

One more quotation from the Report of the Indian Central Banking Enquiry Committee, or rather from the second Memorandum of the Foreign Experts, I believe, none of whom was British:

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"Foreign capital for India has not been encouraged lately by the general state of affairs; the country has to be aware that a more rapid economic development, particularly one so largely agricultural in character is scarcely possible without the attraction of foreign capital. If foreign capital is to be dispensed with a slower speed of economic progress has to be accepted in consequence."

I have read these two quotations, because, as I say, the investment of foreign capital in India or rather the payment of interest in respect of foreign capital in India is often referred to by Honourable Members opposite, as a drain or a tribute or blackmail or exploitation or some such like word. Let us suppose for a moment that the amount of foreign capital invested in India, to put at a low figure, is 800 millions sterling. As regards this figure of 800 millions sterling I can tell the Assembly how I arrive at it. It is made up of a quite definitely identifiable figure of 660 millions sterling. Then, I make some allowance for a proportion of another amount of some 500 millions odd sterling which represents foreign investments in companies which trade in other countries as well as in India. I make a comparatively small allowance and I take the figure of foreign capital invested in India as 800 millions sterling and on that 26 millions represents a very modest return of 3¼ per cent. Compare this rate of interest with the standard figure of interest prevailing in this country, namely 18¾ per cent. or three annas in the rupee, I think, rates at 25 per cent. 50 per cent. or even 75 per cent. which, Dr. Ziauddin Ahmad said, three days ago, were quite frequent rates charged by money-lenders in India.

Pandit Govind Ballabh Pant: May I know how this 800 millions sterling is made up?

The Honourable Sir James Grigg: Out of this, 660 millions sterling is identifiable figure. 140 millions sterling is the allowance for a proportionate share of the capital of foreign companies which trade with India as well as with other countries. Subtracting 26 millions from the total of 38 millions, we get about 12 millions or 16 crores and even of this, a certain amount represents purchases of Government stores abroad. The only sum which in any sense, therefore, can be called a drain on India is considerably below 16 crores. I do not know where my Honourable friend, Pandit Govind Ballabh Pant, got his 150 crores from. I imagine that it includes the whole of the income of the British in India whether they spend it in India or not which is obviously quite unfair. Unfortunately, the last figures of estimates of national income of India which I can lay my hands upon are for the year 1932-1933 when it was something over 1,600 crores. It has almost certainly increased since then, as 1932-33 was at the bottom of the slump. But, even taking the figure of national income as 1,600 crores, the share of the national income covered by this so-called drain is less than one per cent. I may again give another figure in order to get matters into proper perspective. I have several times, in this House, mentioned 27 crores as the amount of money provided by the consumers of cotton piece goods and sugar for the indigenous producers of these articles as a consequence of the purely protective part of the duties levied upon them. I stick to this figure and I am quite undeterred by the argument of my Honourable friend, Sir Hormasji Mody, that the prices of goods are, in some cases, no higher than they were when protection was imposed. What consolation is that when, in the meantime, prices generally have fallen almost catastrophically. It simply means that the consumers expenditure or rather his cost of living is at least maintained while his income has fallen considerably. Apart from that the proper criterion is not what the price was ten years ago or seven years ago, it is what the price of the protected commodities is in the world market. In my mind there is no doubt whatever that this is the right basis and speaking generally though there are occasional exceptions. I have no doubt that the consumer and not the foreigner pays the cost of protective taxation. I leave the House to compare the two tributes and to ask itself at the same time whether it is really being consistent in pressing so often simultaneously for reductions in remunerative taxation—by remunerative I mean taxation where the whole of it comes to the treasury, available for the services of Government—and in pressing for increases of protective or unremunerative taxation.

Now, Sir, I come to the third section of my speech. I am a little puzzled to know what is the relationship between the second part of the speech of my Honourable friend, Pandit Govind Ballabh Pant and that of my Honourable friend, Sir Hormasji Mody, whether it is a case of an unhallowed combination to lead me up the garden, an alliance of Congress and Big Business, two minds with but a single thought, or whether it is a case of Sir Hormasji Mody having first led Pandit Govind Ballabh Pant up the garden, and, using him as a decoy, duck for me. Anyhow there was a remarkable unanimity in their views. I was a little sad that my Honourable friend, Pandit Govind Ballabh Pant, made little or no reference to economic planning. A second time this year he has disappointed me. The first reason for disappointment was because my armoury of literature on the subject has been produced and read in vain, and, secondly, because I now have no opportunity of asking him precisely

what his plan was. In view of his mild remarks about State Regulation, but of course without socialisation, I take it that he repudiates the plan of his Leader:

"The land problem could only be solved by collectivisation which would involve expropriation"—

I am quoting from the *Hindustan Times*. Anyhow, I can quite understand Pandit Govind Ballabh Pant's reluctance to advocate Planning on the Soviet model just at this present juncture. Instead of looking to Russia for his inspiration, he has joined the Bombay Millowners' Association (Laughter) and like the fox who lost his tail and invited his brothers to cut off theirs, he invited me also to join the Bombay Millowners' Association. (Laughter.)

Pandit Govind Ballabh Pant: You joined the European Chambers of Commerce.

The Honourable Sir James Grigg: Industrialisation is the new cry. My Honourable friend, Sir Hormasji Mody, reaches this process through more and more protection given after less and less enquiry for longer and longer periods. (Laughter.) The Pandit would temper this process or possibly accelerate it by a series of State guarantees of interest and capital. Of course I can understand Sir Hormasji Mody. Protection up till the point when it has ruined the country entirely or until the workers and consumers unite to find it intolerable is very good for industrialists. They can levy their tribute on workers and consumers alike but really,—and I say this in all seriousness,—had not they better exercise a little moderation? And if there is no risk of being misunderstood, or at any rate no more than the usual risk of being misunderstood, I should like to tell the House and Sir Mormasji Mody a story which may or may not have some application. Two distinguished surgeons were talking one day and one of them asked the other what it was that he had operated on a certain man for. The other replied, "A hundred guineas". No, what had he got? "A hundred guineas". (Laughter.) But, Sir, I am surprised and pained, in spite of all appearances to the contrary, at the Pandit having pleaded for a modern and scientific outlook. He trots out a mildewed old German or,—I was not quite sure,—an Austrian economist, incidentally a high priest of protection in the days over a hundred years ago,—he wrote before the Corn Laws were repealed and they were repealed 90 years ago, and held him up to me as an example of up-to-date thought. Moreover, the Pandit wants to throw away all the advantages of specialisation, which seems to me neither scientific nor up to date. However, I do not want again to go into this eternal question of free trade and protection. As I have said publicly, as well as in the private conversations to which Sir Hormasji Mody referred. I accept—naturally being a Member of the Government of India—the fiscal policy of 1923. I would merely remark in passing that this policy insisted on two things which have been almost entirely overlooked. The first is that we must see that the industries protected can ultimately be self-supporting; and we must consider carefully the effect on revenue of what we do. As I have just said, I do not want to go again at any great length into this eternal debate of free trade and protection, but I do want to go into this new theory of industrialisation as a cure for unemployment in general and middle class unemployment in particular. For, I think, it is very desirable—if it is not brutal and rude to use an American colloquialism,—I do

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think it is very desirable to "debunk" this before it gets too great a hold on men's minds. The first thing is to attempt some quantitative examination of the problem, though, of course, the absence of reliable statistical information makes this rather a difficult task. I propose that we should ask ourselves what would happen in additional industrial employment if India ceased to import any manufactures from abroad. Professor Thomas of Madras, in a paper which he read recently before the Royal Economic Society in London, hazarded a guess that hardly a million additional labourers can be employed on such an assumption. I have had some more detailed, but still necessarily rough, calculations made for me, and these lead to the conclusion that the figure is not likely to be much more than half a million, which means, adding one-third only to the present factory population. And lest this figure should seem to the House ludicrously small, let me say that the contribution of the Indian textile industry to this total of half a million is about 140,000; which means that, to produce in India an extra thousand million yards, we calculate that it would create jobs for about 140,000 new labourers directly. That word "directly" is important because I will come back to it later on. According to my predecessor, between 1913 and 1933 the indigenous production increased by over 2,000 million yards and in that time the numbers employed increased by only 180,000.

Now, obviously, even a switch-over of half a million persons from agriculture to industry is going to leave India still overwhelmingly an agricultural country, and clearly the purchasing power or the extra-purchasing power of these 500,000 persons and their families is not going to make much increase in general prosperity. On the other hand, we must now take some account of the converse effects of shutting out all foreign manufactures. Clearly this is bound to have a serious effect on exports, and even if we assume,—a pretty large assumption,—that there is no immediate currency debacle, it is quite clear that there is going to be a serious diminution in the number of persons producing for export. Let me give you one or two facts bearing on that subject. At the present moment there are about one million persons employed in plantations and something over a quarter of a million persons employed in jute mills. Now, about 75 per cent. of the product of the plantations is exported. So obviously a serious diminution, if not cessation, of exports caused by the repulsion of imports is going to have a very serious effect and probably would throw a large part of three-quarters of a million out of work. Now, take the jute mills. First of all, let us take the mills and then look beyond them to the growers of raw jute. Of the manufactured jute, three-quarters is exported so that there will be about 190,000 people, or, obviously, a very large number of people, who will be thrown out of employment in the jute mills.

Pandit Govind Ballabh Pant: Have we not got a monopoly in jute?

The Honourable Sir James Grigg: Apart from that, I think 50 per cent. of the raw jute produced in India is exported, and three-quarters of the manufactured jute, as I have just said. I think that means that 7/8ths of the jute grown in India are exported in one form or another. And so the effect of a restriction of imports or the back-fire effect of that on the jute growers of Bengal, apart from the people employed in the factories, would be absolutely terrible, though Pandit Govind Ballabh Pant says, "Is there not a monopoly?". It is no longer a monopoly. People are producing substitutes; they are busily engaged in trying to grow other substitutes; they use bulk mechanical transport much more; they use the same bags over and over again and, altogether, it is no longer any good deceiving ourselves into the belief that jute is a complete monopoly which people must buy whether they have the money to buy it or not.

Pandit Govind Ballabh Pant: Purchasing jute to oblige us.

The Honourable Sir James Grigg: Not at all. They will buy it at a reasonable price, so long as they can give goods in return. Add to this the fact that the exclusion of foreign manufactures could only be brought about by a considerable increase in the tariff level which would, of course, increase, *pace* Sir Hormasji Mody the cost of the manufactured goods and diminish the demand of the great masses of the population. Taking that into account, it seems to me pretty clear that the process of becoming self-contained in manufactured goods would lead, not to an increase of employment, but to a considerable net decrease, and this, quite apart from the budget difficulties and increased taxation which would result from the loss of revenue caused by prohibitive tariffs. And this conclusion cannot possibly be vitiated by any arguments as to the cumulative effects of industrialisation in creating subsidiary employment. It is mathematically demonstrable, but I won't go into it now. It is a question of what the Honourable Member from Midnapore calls geometrical progression—it is quite demonstrable, I can assure him. And, of course, this nostrum of industrialisation—rapid and stupendous industrialisation—as a cure for middle class unemployment is ludicrous. The Sapru Report refers to an official estimate of 1,000 per annum as the increased intake of University graduates if the industrial output of the country were doubled. Now, the doubling of the industrial output means, on the figures I have produced, an increase two, if not, three times as great as that which I have calculated would follow from the complete exclusion of all foreign manufactures. No wonder that the Sapru Committee sounded a note of warning against the idea that an unlimited number of men, who have received vocational training, will be absorbed by industries and commerce.

Of course, things would be very different if India could in a very few years become capable of producing on competitive terms with the outside world in which case it would become an exporter of domestic manufactures. Even then, if it does not import goods to pay for the domestic manufactures, you are not much better off, but, apart from that consideration, which is almost invariably overlooked, I would like to say two other things. The first is—if Sir Hormasji Mody would allow me to ask him a question which I have already asked him in those private conservations to which he referred: "Do you think or does he think that India will ever be able to compete with Japan on even terms?"

Sir H. P. Mody: Shall I answer that question now?

The Honourable Sir James Grigg: I know the answer. The second is to express a doubt whether, even then, when you have got to the

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state of being able to compete with Japan on level terms, you have solved the problem. Japan is rapidly increasing her exports: that is indubitable. In order to do so, she is reducing her costs of production very strenuously. In the main, this is being done by cutting labour costs, or in other words, by reducing employment. And if anybody doubts that, I will give an illustrative figure. In Japan, between the years 1924 and 1932—a period of great advance in Japanese industry—the number of people employed in spinning, twisting and cotton textile mills employing more than five persons dropped from 358,000 to 260,000 or 27 per cent.

Lest there should be misunderstanding, let me say at once that I do not claim to have put before you—I could not, naturally, in the time at my disposal—a complete analysis of this matter of industrialisation. I do claim, however, to have put before you some of the main and essential elements of the problem and to have established a *prima facie* case for the view that industrialisation by high protection is no solution of it. The speeches of Pandit Govind Ballabh Pant and of Sir Hormasji Mody, if I may say so quite frankly and without intention of offence, are really only two more examples of the looseness of thought which does so terribly prevail in India today. Another example is found in the habit of the Members of the Congress Party—and Mr. Joshi—of complaining about the heavy burdens of taxation on the poor and demanding that we should place further heavy burdens upon them by protective taxation. And there are innumerable others which I need not mention.

But to knock down other people's nine pins, though it may be an essential preliminary to the solution of your problem, is not a solution in itself, and there, I have no doubt, that the Honourable Members opposite will score their revenge. What the solution of the problem is I wish I could say. A good many other people have been trying to solve it and have been spending more than two years on it, but have not solved it. I personally feel tolerably certain that it has got to start in the village and not in the town and start with the individual cultivator, and that it must seek to increase the efficiency of the villager's production, so that he can not only sell more but also consume more. And, at the bottom of that problem, I am not at all sure that the problem that Dr. Rajan referred to is not there—the problem of health and disease in general and malaria in particular. However, the primary responsibility for that problem has for some fifteen years rested upon Indian Ministers, and in one year more, complete responsibility will rest upon Indian Ministers.

Dr. P. N. Banerjea: Where will money come from?

The Honourable Sir James Grigg: Now do you understand why I said that the most urgent job I have to do is to look after Provincial Autonomy? (Laughter.)

Dr. P. N. Banerjea: Will you supply enough money?

The Honourable Sir James Grigg: Wait and see. Incidentally, we are providing Bengal with nearly two crores a year already.

Dr. P. N. Banerjea: Many thanks, but we want more.

The Honourable Sir James Grigg: As far as I personally am concerned, the Government of India will be ready at all times to help, to the best of their power and resources, and, indeed, I think it is clear from the last two budgets that that is the case.

Prof. N. G. Ranga: It is not a recurring grant.

The Honourable Sir James Grigg: Another example of the reflex action! Sir, I have done. I apologise for having taken up so much time of the House, and I thank them for the patient hearing which they have given to me. (Loud and Prolonged Applause.)

Mr. President (The Honourable Sir Abdur Rahim): 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 fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax, be taken into consideration."

The motion was adopted.

ELECTION OF A MEMBER TO THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that up to 12 Noon on Wednesday, the 18th March, 1936, the time fixed for receiving nominations for the Standing Committee on Pilgrimage to the Hedjaz, two nominations have been received, out of which one candidate has since withdrawn his candidature. As there is only one vacancy, I declare Qazi Muhammad Ahmad Kazmi to be duly elected to the Committee.

The Assembly then adjourned till Eleven of the Clock on Friday, the 20th March, 1936.

LEGISLATIVE ASSEMBLY.

Friday, 20th March, 1936.

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

QUESTIONS AND ANSWERS.

AMELIORATION OF THE CONDITIONS IN THE JHARIA COAL-FIELD.

1330. *Mr. S. Satyamurti: Will Government be pleased to state:

(a) whether their attention has been drawn to a statement made by Mr. H. H. Worthington, published in the *Hindustan Times*, dated the 28th February, 1936;

(b) whether Government had interested themselves in the amelioration of the conditions in the Jharia coal-field;

(c) whether the Indian Mining Association has been approached by Government to get their assurance that they will co-operate with them on this matter of safeguarding lives of those who worked underground on their behalf; and

(d) whether they will assure the House at the earliest opportunity that they will take steps to co-operate with the Association for this humane purpose?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The steps we are taking are designed to secure an improvement.

(c) and (d). A conference was held on the 19th and 20th February last with the representatives of the Indian Mining Association and other organisations of mine owners and others at which proposals for preventing danger from fires in the Jharia coal-field were discussed. As indicated in the reply I gave on the 17th March, 1936, it is proposed to place a Bill before the House during the current Session for securing the necessary powers.

Mr. S. Satyamurti: Are there any fires still burning in these coal-fields?

The Honourable Sir Frank Noyce: Yes: I am afraid there are, and that they are likely to go on burning for a long time.

Mr. S. Satyamurti: How many are burning?

The Honourable Sir Frank Noyce: I think according to the figures I have already given to the House and which have, I think, appeared in the press, about 45.

Mr. S. Satyamurti: How much longer are they expected to burn?

The Honourable Sir Frank Noyce: That I cannot say; the only answer I can give is until they burn themselves out. When the Bill I hope to introduce shortly comes before this House, I shall be in a better position to explain conditions in the coal-fields.

Mr. S. Satyamurti: Have Government been assured of the co-operation of the Indian Mining Association in this matter?

The Honourable Sir Frank Noyce: Yes. I have already informed my Honourable friend that we had a conference with the representatives of the Indian Mining Association, the Indian Mining Federation and the Colliery Owners Association, and that the results of that conference were very satisfactory; I think we can safely count on the co-operation of the interests concerned in the measures we are proposing in the Bill which will shortly come before the House.

Mr. S. Satyamurti: May I know if any further steps have been taken to prevent further loss of human life and property?

The Honourable Sir Frank Noyce: That raises a very wide question which it is rather difficult to answer in reply to a supplementary question. I have no doubt whatever that every step, that is possible under the present Act and the rules and regulations thereunder, is being taken; and I have also no doubt that the mining interests are already getting on with the measures that we are proposing in the Bill; wherever they can do anything at the moment, they will do it.

CONTRIBUTION TOWARDS EXPENDITURE AT ADEN IN CONNECTION WITH THE ITALO-ETHIOPIAN DISPUTE.

1331. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether their attention has been drawn to the statement sent by *Reuter*, published in the *Hindu*, dated the 24th February, 1936 to the effect that the Government of India contributed £4,000 towards expenditure on special measures in connection with the Italo-Ethiopian dispute towards Aden; if so, what the purposes are; and

(b) the reason why they agreed to make a contribution?

Sir Aubrey Metcalfe: (a) and (b). Yes. Until Aden is actually separated from India, the Government of India's responsibility for the welfare of the civil population of Aden Settlement must continue. They have, therefore, agreed to contribute half the cost of all measures which may have to be taken to protect that population in an emergency. It would not be in the public interest to publish the nature of those measures.

Mr. S. Satyamurti: How was this cost of £4,000 arrived at?

Sir Aubrey Metcalfe: It is a mere estimate which covers measures which may have to be taken in certain emergencies. It is not a firm figure of expenditure.

Mr. S. Satyamurti: Has any expenditure been sanctioned, or incurred, and if so, what is the amount sanctioned or incurred?

Sir Aubrey Metcalfe: I have just stated that it would not be in the public interest to publish the nature of those measures or their cost. I cannot give the information which the Honourable Member asks for without explaining what the measures are, and that I am not prepared to do.

Mr. S. Satyamurti: I am not asking about the nature: I am simply asking about the cost, and how the figure was arrived at, whether the Government of India had any say in the matter and whether they have simply to foot the bill.

Sir Aubrey Metcalfe: There is at present no bill to foot. As I explained, it is a mere estimate, and I cannot say what the eventual expenditure will be, if there will be any expenditure.

Mr. S. Satyamurti: May I take it, therefore, that the Government of India have not incurred any expenditure under this head at all so far?

Sir Aubrey Metcalfe: So far as I am aware, no actual expenditure has yet been incurred.

Mr. S. Satyamurti: Have they incurred any liability?

Sir Aubrey Metcalfe: I have already explained, as clearly as I can, that they have agreed to contribute half the cost of such measures as may be necessary. This is obviously a liability.

Mr. S. Satyamurti: At what stage does the Ethiopia-Italy dispute stand now so far as we are concerned?

Sir Aubrey Metcalfe: I submit that that does not arise out of this question.

Mr. S. Satyamurti: Has this Bill been dropped, this Italian Loans and Credits Bill?

The Honourable Sir James Grigg: No; it has not.

INDIANISATION OF THE GOVERNMENT OF INDIA SECRETARIAT.

1332. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether it is a fact that the majority of the Indian officers in the Secretariat of the Government of India, especially in the Finance Department, are Superintendents and others Assistant Secretaries;

(b) whether Anglo-Indians are also counted as Indians for this purpose;

(c) whether of the ten Indian officers, seven are Superintendents, two are Assistant Secretaries and one the Budget officer;

(d) whether the Secretary, Joint Secretary and two Under Secretaries of the Finance Department are all Europeans, Indian Civil Service men; and

(e) whether any attempt is proposed to be made to further Indianize the Secretariat of the Government of India?

The Honourable Sir Henry Craik: (a) Yes. It is not usual, however, to class Superintendents along with Assistant Secretaries, Under Secretaries and Deputy Secretaries, as officers of the Secretariat.

(b) Yes.

(c) Including Superintendents as officers, there are 23 Indian officers in the Finance Department, *viz.*, 13 Superintendents, 7 Assistant Secretaries, 1 Deputy Financial Adviser, 1 Budget Officer and 1 Financial Adviser, Posts and Telegraphs.

(d) Yes, but there is a Deputy Secretary in the Finance Department (Ordinary Branch) and no Joint Secretary.

(e) I invite the attention of the Honourable Member to the reply given by me on the 10th March, 1936, to Mr. C. N. Muthuranga Mudaliar's starred question No. 1068, especially parts (c) and (h) thereof.

Mr. S. Satyamurti: Is there any proposal to fill all impending vacancies, wherever they arise in the Finance Department, with Indians if they are found to be qualified?

The Honourable Sir James Grigg: Vacancies in the Finance Department are filled on merit and in no other way.

Mr. S. Satyamurti: Will one of the merits be that, after all they have got to administer Indian finances, and Indians have been found to be more competent than Englishmen in dealing with Indian finances?

The Honourable Sir James Grigg: That is not necessarily true. In any case, merit in the broadest sense of the word, and not in any other special sense such as the Honourable Member connotes.

Mr. S. Satyamurti: Is my Honourable friend aware of a statement of his predecessor that Scotchmen and Indians, particularly Madrasis, are very good in the Finance Department?

The Honourable Sir James Grigg: Yes: but you cannot expect me to agree with that altogether, being an Englishman.

Mr. T. S. Avinashilingam Chettiar: Merits being equal, will they prefer an Indian?

The Honourable Sir James Grigg: I think that is very likely.

Mr. T. S. Avinashilingam Chettiar: Why very likely? I want to have a definite answer.

The Honourable Sir James Grigg: I am not going to give a definite answer to a hypothetical question.

Mr. M. Ananthasayanam Ayyangar: Has there not been a single Indian competent enough to fill this vacancy?

The Honourable Sir James Grigg: The Honourable Member must draw his own conclusions and not ask me to agree with them.

Mr. S. Satyamurti: Does the Honourable Member accept the policy of Indianisation in regard to his Department?

The Honourable Sir James Grigg: I accept the policy of appointing the best men, whatever the race.

Mr. S. Satyamurti: Is the Honourable the Finance Member the best man for that Department?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not answer that question.

The Honourable Sir James Grigg: Modesty forbids me to answer that question.

Mr. S. Satyamurti: Sir, I do not ask part (b) of this question, but only part (a).

REVISION OF ELECTORAL ROLLS FOR THE COUNCIL OF STATE.

1333. ***Mr. S. Satyamurti:** Will Government be pleased to state whether they are considering the revision of electoral rolls for the Council of State this year in every province including Madras?

The Honourable Sir Nripendra Sircar: The Government of India understand that in pursuance of instructions issued by them last year fresh electoral rolls have recently been prepared or are now in course of preparation in all provinces. They do not propose to take any further action in the matter.

CARRIAGE OF UNREGISTERED MAILS BY THE TRIVANDRUM EXPRESS.

1334. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether it is a fact that the Trivandrum express, leaving Madras at 8 P.M. will hereafter carry unregistered mails;

(b) whether the European Chamber of Commerce, Madras have requested the Postmaster General to extend the proposal to Virudhunagar also;

(c) whether they propose to expedite these proposals?

Mr. G. V. Bewoor: (a) The Trivandrum Express is being utilised for the carriage of uninsured articles of the letter mail from Madras for delivery by Madura and Tallakulam post offices only. The question of utilising the train for the conveyance of all classes of mails for places south of Trichinopoly is under examination.

(b) No.

(c) A copy of the Honourable Member's question is being forwarded to the Postmaster-General, Madras, within whose competence the matter rests.

Mr. S. Satyamurti: Will Government make a recommendation in the matter?

Mr. G. V. Bewoor: I have stated that a copy of the Honourable Member's question is being sent to the Postmaster-General, Madras, and I have no doubt that he will consider it from all aspects.

INCREASE IN THE IMPORTS FROM JAPAN AND THE UNITED KINGDOM.

1335. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether their attention has been drawn to the speech of Mr. D. P. Khaitan, vice-President of the Bengal Millowners' Association, published in the *Hindustan Times*, dated the 25th February, 1936;

(b) whether they have examined or propose to examine Mody-Lees Pact from the point of view mentioned in the speech; and

(c) whether it is a fact that imports from Japan and the United Kingdom have slightly increased in 1935?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) The Honourable Member's attention is invited to the Resolution No. 341-T. (12)/35, dated the 10th September, 1935, issued by the Commerce Department. Government are awaiting the report of the Special Tariff Board.

(c) Yes. It is presumed that the reference is to cotton piece-goods. Imports from Japan have increased while imports from the United Kingdom have declined.

Prof. N. G. Ranga: When the Mody-Lees Pact comes up for re-examination, will Government consider the interests of handloom weavers also?

The Honourable Sir Muhammad Zafrullah Khan: Unless the Honourable Member puts the question more specifically, I am afraid I shall not be able to reply.

Prof. N. G. Ranga: Will Government consider the advisability of seeing when this question of Mody-Lees Pact comes up for re-examination that the interests of handloom weavers are not adversely affected?

The Honourable Sir Muhammad Zafrullah Khan: This question, as I have said, is being examined by the Special Tariff Board, and I do not see how the question of handloom weavers might arise as a result of the Tariff Board's Report?

Prof. N. G. Ranga: In view of the fact that in answer to several previous questions put about the Tariff Board and the terms of reference to it, the Honourable Member said that handloom weavers' interests were not included in the terms of reference, will Government consider the advisability of paying special attention to the interests of handloom weavers when this Mody-Lees Pact comes up for re-examination?

The Honourable Sir Muhammad Zafrullah Khan: I do not understand what the Honourable Member means by saying "when the Mody-Lees Pact comes up for re-examination". There is no stage at which that pact comes up for reconsideration or re-examination. In pursuance of the undertaking given by the Government of India in the supplementary trade agreement, a special Tariff Board has been appointed and its report is being awaited, and, at present, without seeing the report, I do not know in what way the interests of the handloom weavers might be affected or if the question will at all arise. If it arises, Government will pay attention to it.

Mr. S. Satyamurti: Will Government consider, or have they considered the question of examining the whole question of cotton textiles, both manufactured in this country and imported, as well as handloom and *khaddar*, independent of specific facts like these, and settling their policy on a comprehensive scale in this matter, just now, or immediately after the report of the special Textile Tariff Board is received by the Government?

The Honourable Sir Muhammad Zafrullah Khan: What aspect of that policy has the Honourable Member in mind? So far as the question itself is concerned, that is being examined by the special Tariff Board.

Mr. S. Satyamurti: I am specifically asking about settling the conflict between the Japanese and British imports on the one hand, the production of indigenous mills on the other hand, and the production of handloom industry on the third hand, and finally the production of *khaddar*: whether Government have considered the desirability of examining the whole question, and laying down a policy which will promote the indigenous production of cloth by handloom as well as by mills and *khaddar*, and also such imports as may be found to be inevitable and desirable in the interests of this country.

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member is aware that all these questions have to be adjusted particularly where other countries are concerned, and most of these questions are bound to come under review during the next few months.

Mr. S. Satyamurti: May I take it that the Government are going to take the whole question in hand, and not deal with it piecemeal as they have been doing so hitherto?

The Honourable Sir Muhammad Zafrullah Khan: In the very nature of things they have to be done by different stages. For instance take the protocol and agreement with Japan. So far as Japan is concerned, they are not concerned with the rest of the policy of the Government over it and they will say "well, we want to know where we stand, so far as this is concerned". That will be a specific question taken up with Japan. Similarly with the United Kingdom, the questions that can be taken up are the questions that might arise between the United Kingdom and India. The question of handloom industry and the mill industry is a separate question which will have to be looked into separately. No doubt each of these questions has some effect on others with regard to which a decision has to be arrived at. But you cannot say that Government should sit down at one time and make an announcement directing the United Kingdom, Japan and the millowners and the handloom weavers in India all to accept its pronouncement on the subject.

Mr. S. Satyamurti: Will Government consider the desirability of telling Japan and England to wait till the whole question is comprehensively settled?

Mr. President (The Honourable Sir Abdur Rahim): Next question.

SPEECH OF HIS EXCELLENCY THE COMMANDER-IN-CHIEF IN THE COUNCIL OF STATE.

1336. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether the speech of His Excellency the Commander-in-Chief in the Council of State on military expenditure represents the official opinion; and

(b) whether there is a proposal to increase military expenditure in future?

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

(b) The position was fully explained by the Honourable the Finance Member in his budget speech this year, and I may add in my own speech on the army cut.

Mr. S. Satyamurti: May I know whether the Government as a whole have come to the conclusion that there should be increase in military expenditure?

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

Mr. S. Satyamurti: May I know what is the extent of increase that is contemplated, and if so, when and in what stages?

Mr. G. R. F. Tottenham: The increases that have been made this year will be found in the budget for 1936-37. We have not looked further ahead than that.

Mr. S. Satyamurti: In coming to that conclusion, have Government considered the fall in prices, the mechanization of the army and other possible lines of retrenchment in the army, apart from large questions of policy?

Mr. G. R. F. Tottenham: Certainly.

Mr. S. Satyamurti: What is the financial result of such savings which Government hope to make under the three heads that I have mentioned, and in spite of that, do Government want further increase?

Mr. G. R. F. Tottenham: It would take a long time to explain the exact effect of all these matters which the Honourable Member referred to. But they have all been taken into account. We take advantage of the fall in prices; the question whether mechanization is an economy or not is a very large question open to considerable doubt, but we do take all these factors into account.

Mr. S. Satyamurti: His Excellency the Commander-in-Chief referred the other day in another place to the Honourable the Finance Member, and said that they had been told that there should be an increase of expenditure in the Defence Department and that the Finance Department have agreed to it. May I know if the Honourable the Finance Member has applied his mind to the points I have mentioned, and whether he has come to the conclusion, as the Finance Member, that there should be an increase in expenditure? If so, to what extent, and why?

The Honourable Sir James Grigg: I have come to the conclusion as Finance Member that the trend of the Army expenditure will be slowly upwards in the next few years and that from a very natural reaction from the process of living on stores and of taking advantage of fall in prices and several other factors which make for economy: yes.

Mr. S. Satyamurti: Will the Honourable Member give some indication of the rate of increase of expenditure in the next few years?

The Honourable Sir James Grigg: I cannot say, but, not very rapid.

Prof. N. G. Ranga: Does that include special expenditure on re-building Quetta city?

The Honourable Sir James Grigg: That is taken into account, certainly.

REPORT OF SIR OTTO NIEMEYER.

1337. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether it is a fact that the report of Sir Otto Niemeyer is expected to be published at the end of April or early in May;

(b) whether they are prepared to make any attempt to get the report published a little earlier so as to enable this House to express its opinion thereon; and

(c) whether they propose to forward the same without reference to Legislatures at all; if so, why?

The Honourable Sir James Grigg: (a), (b) and (c). The Report is to be submitted to His Majesty's Government and I have no information as to when it will be either submitted or published beyond that contained in the reports which appeared in the press this morning.

Mr. S. Satyamurti: May I take it that the Honourable Member's attention has been drawn to the statement in the press that Sir Otto Niemeyer's report will be published sometime about the end of April?

The Honourable Sir James Grigg: I said:

"I have no information as to when it will be either submitted or published beyond that contained in the reports which appeared in the press this morning."

But my reading of the press report is that it will be submitted to the Secretary of State about the end of April.

Mr. S. Satyamurti: I accept the correction that it will be submitted to the Secretary of State about the end of April. I take it that final orders will be passed by Parliament on that report sometime before the end of July or early in August.

The Honourable Sir James Grigg: Yes, Sir.

Mr. S. Satyamurti: May I know if the Honourable Member's attention has been drawn to this, that this will happen between the end of this Session and the beginning of Simla Session of the Assembly? Will the Honourable Member be good enough to consider whether some opportunity may not be given to the House to pronounce its opinion on the recommendation of Sir Otto Niemeyer, before orders are passed thereon by Parliament?

The Honourable Sir James Grigg: I do not know how it can be done. The report obviously is not going to be published during this Session of the Assembly and final orders have got to be passed by His Majesty's Government before the Assembly meets again in Simla. I do not see how it can be possible.

Mr. S. Satyamurti: Will the Honourable the Finance Member represent to His Majesty's Government to postpone passing orders till the Assembly has considered this matter, or will the Honourable Member recommend to the Governor General in Council to summon a special Session of the Assembly to consider this very important matter, as it may involve increase of taxation, or distribution of resources which may leave the other provinces or the Federation crippled?

The Honourable Sir James Grigg: I think my Honourable friend is making a fairly large assumption in the latter part of his question. I will certainly forward the representations to the Secretary of State, but I do not see what can be done about it. Final orders have got to be passed at a certain time so that provinces may know where they stand at the inception of provincial autonomy.

Mr. S. Satyamurti: Does the Honourable Member realise that it is unfair to this House and to this country to pass orders on such fundamental and important financial matters without so much as even by leave of this House?

The Honourable Sir James Grigg: I quite realise—I do not accept the full implication of what the Honourable Member says, but I quite realise that when you are bringing into force a whole new Constitution, certain clashes, if you like, or, certain treatment of the older part of the Constitution, must appear a little rough, but that is not intentional. It is inevitable in the scheme of things.

Mr. S. Satyamurti: We are accustomed to it!

The Honourable Sir James Grigg: Oh, well!

SUBMISSION OF THE INSTRUMENT OF INSTRUCTIONS TO THE GOVERNOR AND THE GOVERNOR GENERAL TO THE PARLIAMENT.

1338. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they have any information that the Instrument of Instructions to the Governor and the Governor General under the Government of India Act, 1935, will be submitted to the Parliament before it rises for its summer recess;

(b) whether they have been consulted at all; and

(c) whether they gave their opinion on the matter; if so, what?

The Honourable Sir Nripendra Sircar: (a), (b) and (c). The Government of India have not been consulted as to the date on which the Instrument of Instructions to the Governors should be submitted to Parliament for approval under section 53 of the Government of India Act, 1935. They understand that no decision as regards the date of such submission has yet been taken. The Instrument of Instructions to be given to the Governor General during the transitional period will not technically require the approval of Parliament, but may be submitted to Parliament for its information. The Instrument of Instructions to the Governor General for the period after the Federation is established will require the approval of Parliament under section 13 of the Act. It is not proposed to take action at this stage to obtain that approval.

Mr. S. Satyamurti: With regard to the Instrument of Instructions to Governors, may I know if the Government of India were consulted at any stage, before they were published, or do they expect to be consulted before they are placed before Parliament for approval, whatever the date may be?

The Honourable Sir Nripendra Sircar: They expect to be consulted, and, as a matter of fact, they are waiting for the views of the Provincial Governments.

Mr. S. Satyamurti: May I take it that the Government of India have addressed the Local Governments with regard to their views on this Instrument of Instructions?

The Honourable Sir Nripendra Sircar: Yes.

TRANSFER OF OFFICERS TO ORISSA AGAINST THEIR WISHES.

1339. ***Mr. H. A. Sathar H. Essak Sait:** (a) Will Government be pleased to state if some officers of the Imperial and Provincial Services have been recommended for transfer to Orissa against their wishes?

(b) On what principle have these officers been selected?

(c) Is it a fact that some officers who volunteered were not sent?

(d) Are Government aware that the prospects of such officers will be adversely affected by being compulsorily transferred from a major province to a minor province?

(e) Will Government please state whether they are prepared to restrict the period of their services in Orissa, and whether they will be replaced, when officers recruited by the Government of Orissa are available?

(f) Are Government prepared to give those officers, who are being sent to Orissa against their wishes, the option of reverting at least after a period of two years?

(g) Is it a fact that in some departments where Orissa officers are available, non-Orian officers have been forced to go to Orissa against their will?

(h) Do Government propose to issue any set of rules in connection with such officers' service and their reversion after a specified period?

The Honourable Sir Nripendra Sircar: (a) The question does not arise in the case of officers of the Imperial Services (by which term the Honourable Member presumably means the All-India Services) since those

officers accept service in any part of India as part of their conditions of service, and will continue to be borne on joint Bihar and Orissa cadres, although they may be posted to Orissa for specified periods of duty. So far as officers of the Provincial Services are concerned, power has been taken in the Government of India (Constitution of Orissa) Order to require such persons as may be determined by agreement between the Governments concerned, or in default of agreement by the Governor General in Council, to serve in Orissa. How far it will be necessary to require persons to serve in Orissa against their wishes cannot be stated until the selection of officers which is being made by consultation between the Local Governments concerned is complete.

(b) In staffing the new Province until such time as the Provincial Government can recruit sufficient staff of its own, preference will be given to those who express willingness to serve in Orissa and, so far as possible, to persons with experience of the areas comprising the new Province, particularly Oriyas.

(c) The Government of India have no information.

(d) It does not follow as a matter of course that prospects for individual officers will be less favourable in a small than in a large Province.

(e), (f) and (h). The Government of India (Constitution of Orissa) Order provides that conditions for the protection of persons required to serve in Orissa shall be prescribed by the Governor General in Council. So far as possible provision will be made in prescribing such conditions for the reversion to his own Province of an officer required to serve in Orissa against his will. The period within which he may be reverted will depend on the time required for the Local Government to organise its own Services.

(g) The Government of India have no information. But I would refer the Honourable Member to the circular issued on the 21st December, 1935, by the Publicity Officer to the Government of Bihar and Orissa from which he will observe that the Local Government intend as far as possible to transfer all Oriya officers to the new province provided that room can be found for them.

Mr. H. A. Sathar H. Essak Sait: With regard to the answer to part (g) of the question, will the Government be pleased to say if any Oriyan officers are left in Madras and some Madras officers are sent to Orissa against their wishes, and, if so, will the Government see that Oriyan officers are sent to Orissa and Madras officers are left in Madras?

The Honourable Sir Nripendra Sircar: I have already said in my answer, "How far it will be necessary to require persons to serve in Orissa against their wishes cannot be stated until the selection of officers which is being made by consultation between the Local Governments concerned is complete". So that we do not know yet if any one will be asked to go against his wishes to Orissa.

Mr. H. A. Sathar H. Essak Sait: Has any selection so far been made?

The Honourable Sir Nripendra Sircar: No, so far as I know.

NUMBER OF CERTAIN APPOINTMENTS MADE IN THE MADRAS PRESIDENCY.

1340. ***Mr. H. A. Sathar H. Essak Sait:** Will Government be pleased to state the total number of appointments made in the Madras Presidency during the last three years for each of the following posts and the number of Muslims in it:

(1) Income-tax Officers and Assistant Income-tax Officers;

(2) Inspectors, Assistant Inspectors and Sub-Inspectors of Salt Revenue;

(3) Inspectors, Assistant Inspectors, Sub-Inspectors and preventive officers of Customs; and

(4) all ranks of Postal employees?

Mr. A. H. Lloyd: The information is not available and cannot be compiled without a degree of labour and expense which is not considered to be justified.

SUPERIOR POSTS IN THE INDIAN POLICE LISTED FOR PROVINCIAL OFFICERS IN THE MADRAS PRESIDENCY.

1341. ***Mr. H. A. Sathar H. Essak Sait:** (a) Will Government be pleased to state the number of superior posts in the Indian Police listed for the Provincial officers in the Madras Presidency?

(b) what is the number of posts so far filled up?

(c) Is it a fact that the number of such posts in the other presidencies has been completely filled up?

(d) Is it a fact that in the Madras Presidency alone, difficulties have been raised and provincial officers who have been Ag. D. S. Ps. for a period of six and seven years have been reverted and Assistant Superintendents with a total service of five or six years have been appointed to act in superior posts?

(e) Do Government propose to examine this anomaly?

The Honourable Sir Henry Craik: (a) Eight.

(b) Seven.

(c) The number of such posts has not yet been completely filled up in the other presidencies.

(d) The reversion of provincial officers, after having officiated for a period as Superintendents of Police, is not confined to the Madras Presidency. The position is that posts of District Superintendents of Police on the Indian Police cadre, other than those earmarked for provincial police service officers, are reserved for members of the Indian Police. A member of the Provincial Police Service may be appointed temporarily to such posts in the exigencies of the public service, for instance, if he is specially suited for a particular post or if there is no Assistant Superintendent of Police qualified to hold charge of a district. When such special circumstances cease to exist provincial police service officers have to revert.

(e) In view of what has been explained in part (d) above there is no question of any anomaly.

GIVING UP OF CANNANORE AS ONE OF THE MILITARY STATIONS.

1342. ***Mr. H. A. Sathar H. Essak Sait:** Will Government be pleased to state if there is any proposal to give up Cannanore as one of the military stations and to station there only the Malabar Battalion?

Mr. G. R. F. Tottenham: There is at present no such proposal.

COMPULSORY INSURANCE AND COMPULSORY SUBSCRIPTIONS TO THE PROVIDENT FUND OF GOVERNMENT SERVANTS.

1343. ***Mr. H. A. Sathar H. Essak Sait:** Are Government prepared:

(a) to favourably consider the system of compulsory insurance in the case of all Government servants;

(b) to extend the rules regarding compulsory subscription to the Provident Fund; and

(c) to increase the amount of commutation of pension from 50 per cent. to 75 per cent.?

The Honourable Sir James Grigg: (a) and (b) Government are considering the suitability of making compulsory insurance and or compulsory subscription to a provident fund a condition of service.

(c) No.

BOOKLET TITLED "A PEEP INTO RURAL AREA OF DELHI PROVINCE".

1344. ***Mr. Ram Narayan Singh:** Has the attention of Government been drawn to a booklet titled "*A peep into Rural Area of Delhi Province*" published by the local Delhi District Congress Committee and if so, will Government be pleased to state whether all or any of the grievances mentioned in the same booklet with special reference to the points given below are true, and if so, what are the steps which they propose to take in order to remove them:

(a) want of food and fodder due to over assessment (page 4);

(b) irrigation and failure of crops (page 6);

(c) poverty of the people (page 7);

(d) rural indebtedness (page 8);

(e) taxation—taxes on wells for drinking purposes and professional taxes (page 10);

(f) *begar* (pages 10-11);

(g) medical aid and sanitation (pages 11-12); and

(h) tyranny by the military authority (page 13)?

The Honourable Sir Henry Craik: I have seen the report referred to and lay on the table a statement explaining the facts on numerous points in regard to which the report gives an inaccurate or misleading account. Government are aware that there is much room for improvement in rural conditions in the Delhi Province, but steps have been or are being taken to ameliorate them as far as possible. I also lay on the table a further statement showing some of the schemes which have been undertaken with this object.

STATEMENT I.

Statement regarding the Rural conditions obtaining in the Delhi Province with reference to allegations contained in the Report of the Congress Village Sub-Committee.

Revenue Policy and its effect.

The current land revenue settlement of the Delhi Province was carried out as far back as 1908-09 when the Delhi Province was still part of the Punjab, and this settlement is current for a period of 30 years. The settlements of Delhi Province and the adjoining districts of Rohtak and Gurgaon were taken up and completed in turn, and the pitch of land revenue assessment in the case of the existing Delhi Province is roughly the same as that of the other two districts. The suggestion therefore that the Delhi Province is subject to specially high revenue assessment is erroneous.

The remarks made in paragraph 8 of the report in regard to the manner of determining assessment are also misleading and are founded upon some misapprehension. The *girdawri* of Revenue officials which is referred to is not for the purpose of assessment, but on the contrary for the purpose of ascertaining whether any grounds exist for recommending suspensions or remissions of land revenue.

In regard to the village of Masudpur Mehrauli Circle which is mentioned in paragraph 7 of the Report, it may be mentioned that the assessment was made in 1905-1908, *i.e.*, 28 years ago. The annual land revenue of this village is Rs. 300; its cultivated area at the time of assessment was 446 acres, of which 70 acres were let out on an annual rent of Rs. 165; whereas now it is 456 acres of which 34 acres are let out on an annual cash rent of Rs. 83 giving an average of about Rs. 2-8-0 per acre. The rest of the area is cultivated by the owners themselves. The people of this village have generally an independent source of income from the export of "*Kharia Mitti*" (China Clay) which is available locally and can afford to pay their land revenue. A further fact which requires mention is that the number of owners and cattle in this village since the last settlement has increased by 50 per cent.

The statement made in the report that in no case is the land yield more than 14 seers a bigha is incorrect. The question of yield is the main factor which the Settlement officer takes into consideration in determining the land revenue and for this purpose, experiments of all major crops for each separate class of soil, irrigated and unirrigated, are made under close supervision of experienced revenue officers. Average class of fields in consultation with zamindars are selected for the purpose, and their crops cut and weighed, in the presence of the revenue officers, by the owners themselves. The results of these experiments are very minutely and carefully weighed and after due consideration an average yield of land in each assessment circle is determined. The yield of each crop in each assessment circle is different. The incorrectness of the assertion that the yield is in no case more than 14 seers a bigha is thus further apparent since the yield of all crops whether wheat, gram, cotton, maize, rapeseed, sugarcane, etc., irrigated or unirrigated, has been considered in the report to be the same.

In the next place the report makes a general statement that the conditions in almost all the villages are identical and the Sub Committee state that for this reason they have refrained from repeating the facts; but the facts are that conditions in the different villages differ and the figures in regard to revenue, suspension, remission, loans, etc., vary greatly. The incidence of land revenue of the villages visited by the Congress Committee ranges from 0-10-4 to Rs. 4-1-7 per acre as the conditions of land and soil differ materially in each village.

The cultivated areas in almost all these villages has slightly increased since the last settlement. Wherever it has decreased it is due to acquisition or some other particular reason. Where conditions are bad Government have granted suspensions and remissions. Indeed there is not a single village which was visited by the Committee where suspensions and remissions have not been allowed on account of damage done to crops by hailstorms, epidemics, locusts, floods, lack of rains. It may be mentioned that in 1931 and 1933 special remissions amounting to Rs. 98,466 and Rs. 1,60,462 respectively, were sanctioned in the Delhi Province, and every year certain sums have been suspended and remitted where this is found necessary on account of economic

conditions. It may be mentioned here that no *abiana* is levied from the people in respect of newly constructed wells for 20 years, during which period the owners are allowed to enjoy the full profits of the improvements made by them. There are definite rules regulating remissions of *abiana* when wells fall out of use. In accordance with these rules the *abiana* of several wells has been remitted in the past.

Irrigation and failure of crops.

Delhi Province is irrigated by the Eastern and Western Jumna Canals and pays *abiana* at the same scale as the people of the Punjab or the United Provinces, remissions being calculated on the scale as fixed in the Punjab. The Delhi Province receives irrigation water in exactly the same way as does the land situated in the Punjab, and to state that because Delhi is not part of the Punjab it does not receive water in time is not correct. The Western Jumna Canal, which is the main source of irrigation for the Delhi Province is run by rotational turns, each of the main branches getting a ten-day full supply by turn each month. The Zamindar opens his outlet and takes his water, and if there is no demand for the water, the Government channel is closed. The statement that standing crops get rotten on account of unwelcome canal water is thus incorrect as the zamindar decides whether he will take water; if he does not grow crops on his land, he is not charged for canal water. As stated above, remissions in the *abiana* are allowed, whenever circumstances so require, on the same scale as in the Punjab.

Poverty and Rural indebtedness.

The arguments put forward in the report are of general application and have no special relevance to conditions obtaining in the Delhi Province. The statement that taccavi is recovered by Revenue Officers in the Delhi Province is untrue. In fact the position is that a sum of Rs. 72,469 has been remitted during the last few years, and there is a large balance amounting to Rs. 85,869 still uncollected.

As regards indebtedness the question as to whether the Agricultural Indebtedness Relief Act, which has only very recently been passed into law by the Punjab Legislative Council, should be applied to Delhi is at present under consideration.

Taxation.

Agricultural conditions in Gurgaon and Rohtak districts and in the Delhi Province are similar, but Delhi is the best off as it has better marketing facilities. The prices which the people of Delhi Province secure from the sale of green gram, barley, Jowar, and Jai are much higher in proportion to what the people in the two adjoining districts obtain as there is not much marked *scope* for these commodities there.

Chowkidars are village officials and their salaries are paid everywhere in the Punjab by the villagers. In the Punjab they are supplied with uniforms at intervals of three or four years, whereas in Delhi uniforms have been supplied after long periods.

The statement that births and deaths are not correctly recorded is not accurate. This work is done by the village chaukidars under the supervision of the Police and although mistakes are bound to occur, having regard to the nature of the agency employed, the system is probably as good as any that could be devised and no complaints have been received.

Wells for drinking purposes have not been taxed unless they are also used for purposes of irrigation. *Abiana* levied on wells is not a tax, but is the result of the apportionment (Bachh) of land revenue assessed by the Settlement Officer after taking into due consideration the soil and other sources of income of the village. This assessment is based on a recognized and established principle. The apportionment of assessment is left to the discretion of the owners of each village, hence the system of levying *abiana* on wells, which is generally in accordance with the will of the people themselves, cannot be considered to be objectionable and unjust. If no *abiana* were assessed on wells, and revenue charged at a flat rate, the result would be likely to cause heart burning and injustice. The villagers were wise enough to have a lump sum assessed on their wells instead of agreeing to pay at a higher rate for their Chahi lands; as in the latter case they would not have been able to obtain remissions during the pendency of the term of the present settlement, even if the wells had ceased to work.

Professional tax has only recently been levied by the District Board although it was imposed long before in the adjoining District of Rohtak. No protests in regard to the method in which this tax has been assessed have been received.

Begar.

Government have no reason to believe that *begar* continues to exist in the Delhi Province. The people have access to District Officers, they are closely in touch with the educated classes inhabiting rural areas, while many of the principal zamindars actually live in the city. Complaints in regard to the existence of *begar*, if real hardship was caused, would unfailingly have reached the District Officers.

Medical Aid and Sanitation.

Delhi Province is better served than other Provinces in regard to dispensaries, which are so located that they serve all villages within a radius of six miles. The villages mentioned in the report are all within three miles radius of a dispensary. The desirability of increasing the number of rural dispensaries is recognised by Government but it is obvious that every big village cannot possibly have its own dispensary.

A sum of Rs. 10,000 out of the grant of Rs. 50,000 made by the Government of India for rural reconstruction and improvement, has been allotted for the improvement of the Maqbara Paik Ochandi Road.

Education.

During the last five years 15 Primary, 25 Lower Middle, 3 Vernacular, 1 Anglo-Vernacular Middle, 4 Girls Schools, 15 High Schools and one Agricultural Farm at Palam have been opened. Sixty new school buildings have been constructed. Compulsory education has been introduced in 13 villages. There are 12 District Board Schools and 5 aided schools for girls in the rural area. These schools have accommodation for increased enrolment. Where possible private enterprise for Girls' education is being encouraged and co-ordination has also been introduced in the District Board Schools in order to give a further impetus to female education in places where schools for girls do not exist.

Village industries.

The 5 years programme for the development of technical and industrial education has apparently been confused with the plan for the development of village industries for which no 5 year programme has been formulated. The establishment of the Government Cottage Industries Institute last year has to some extent met the need for imparting training in cottage industries, and particular care is taken to admit sons of villagers into this Institute. Rural exhibitions are being organized annually with the object of fostering village industries and promoting knowledge in this regard.

Miscellaneous.

Great care has been exercised in ensuring that all compensation paid for damage done to crops, etc., by troops in connection with manoeuvres is adequate. Definite scales of compensation payable have been laid down and compensation is assessed jointly by Military and Civil Compensation Officers and no complaints have been received that the military authorities have in any case paid a lower rate than that recommended by civil officers.

STATEMENT II.

Statement showing some of the schemes undertaken with the object of improving rural conditions in Delhi Province.

(a) The annual Government grant of Rs. 22,000 to the District Board, Delhi, has been restored for a period of three years from 1935-36 to enable the Board to carry on certain beneficent activities.

(b) The grant of Rs. 50,000 for rural reconstruction and improvement has been distributed by the local Administration as follows:

Rs. 32,000 for construction and repair of village wells.

Rs. 3,000 for remodelling of an existing village for demonstration purpose.

Rs. 10,000 for improvement of roads and communications.

Rs. 5,000 kept in reserve for urgent necessities coming to notice to District officers while on tour.

(c) A sum of Rs. 6,000 has been provided in the current year's budget for grant to the District Board to supplement its stock of bulls, rams and buck goats. This was at first subject to certain unfulfilled conditions, but has now been made unconditional.

(d) The provision of Rs. 2,000 in 1934-35 and of Rs. 5,000 for 1935-36 was made in the budget of the Delhi Administration for the development of handloom weaving industry in the Delhi Province and this has enabled the Delhi Administration to start a Cottage Industries Institute in which valuable instruction, notably to villagers, is being imparted.

(e) The Government of India have sanctioned the grant to the Association for the Development of Swadeshi Industries, Delhi, of Rs. 7,500 to meet expenditure on a scheme prepared by the Delhi Superintendent of Industries for the display of handloom products and improved handloom machinery and appliances at the all-India Exhibition to be held in February-March, 1936.

(f) The Government of India have approved the scheme of the local Government for the extension of co-operative training and education in Delhi, and have sanctioned an allotment to Delhi Province of Rs. 9,000 spread over five years.

Prof. N. G. Ranga: Have Government conducted any enquiry into the economic conditions of the peasants and workers in the rural areas of Delhi?

The Honourable Sir Henry Craik: In consequence?

Prof. N. G. Ranga: Or independently of this.

The Honourable Sir Henry Craik: Into the conditions of rural workers in Delhi?

Prof. N. G. Ranga: Yes.

The Honourable Sir Henry Craik: Since this pamphlet was published?

Prof. N. G. Ranga: No. At any time till now.

The Honourable Sir Henry Craik: Constantly.

Mr. Ram Narayan Singh: What is the basis on which the Honourable Member says that the report is a misleading one?

The Honourable Sir Henry Craik: The Honourable Member had better read the statement which I lay on the table.

Prof. N. G. Ranga: When was the last enquiry made, what was the report, and has that report been published?

The Honourable Sir Henry Craik: The officers of Government in a small province like Delhi are constantly in touch with rural workers.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

ABSENCE OF RAILWAY POLICE ON STATIONS OF THE SHAHADRA-SHAMLI RAILWAY.

1345. ***Qazi Muhammad Ahmad Kazmi:** (a) Are Government aware that there is no Railway Police on the Shahadra-Shamli Railway stations?

(b) Have Government considered the advisability of getting the said company to make provision for such police for keeping a watch at the Railway stations? If not, why not?

The Honourable Sir Henry Craik: The information has been called for from the Government of the United Provinces and will be laid on the table in due course.

Qazi Muhammad Ahmad Kazmi: When is the information likely to be expected?

The Honourable Sir Henry Craik: I should think very soon. It is a very simple question.

APPOINTMENT OF SECOND GRADE CLERKS IN THE ROHTAK POSTAL DIVISION.

1346. ***Mr. Muhammad Anwar-ul-Azim:** (a) Will Government please state whether appointments to second grade clerkship in the Posts and Telegraphs Department are made from among the approved candidates on the waiting lists of the Rohtak Postal Division?

(b) Will Government please state what action they propose to take in order to redress the grievances of the Muslim candidates?

The Honourable Sir Frank Noyce: (a) The procedure described by the Honourable Member is that prescribed by the rules and, while Government have no information as to what is being done in the Rohtak Postal Division, they have no reason to suppose that the rules are not being observed in that division.

(b) Government are not aware of any grievances which Muslim candidates may have and do not propose to make any inquiry as it is open to any candidate who considers himself aggrieved to make a representation to the proper authority.

CLERKS APPOINTED IN THE TELEPHONE REVENUE ACCOUNTING OFFICE WITHOUT PASSING THE PRESCRIBED TEST.

1347. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that candidates for appointment of clerks in the Posts and Telegraphs Department have to pass a certain test and selection is made from among the successful candidates both according to merit and the reservation rules?

(b) If the reply to part (a) be in the affirmative, is it a fact that certain candidates above the age limit prescribed by the Head of the Circle have been appointed in the Telephone Revenue Accounting Office temporarily without passing the prescribed test?

(c) If the reply to part (b) above be in the affirmative, will Government please state what action they propose to take in order to stop recurrences of this sort in future?

Mr. G. V. Bewoor: (a) Yes.

(b) A single candidate was temporarily appointed owing to the absence of any approved candidate on the waiting list, but he was within the age limit at the time and was, subsequently, discharged from service.

(c) The incident does not call for any action on the part of Government.

ENTERTAINMENT OF DIRECT APPEALS BY THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

1348. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that the Director General, Posts and Telegraphs had been entertaining appeals from the time scale postal clerks, over the head of the Postmasters General who are the final appellate authority in such cases?

(b) Is the procedure adopted in accepting direct appeals by the Director General, Posts and Telegraphs against the Departmental rules and if so, are Government prepared to review the appeal in question?

Mr. G. V. Bewoor: (a) No.

(b) The Honourable Member's assumption that direct appeals are accepted by the Director General is not correct. The question, therefore, does not arise.

APPOINTMENT OF MUSLIMS AS CAMP CLERKS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

1349. ***Mr. Muhammad Anwar-ul-Azim:** (a) Will Government please place on the table of this House a statement showing the number of camp clerks in (i) Postal Circles in India, (ii) in the Directorate, (iii) in the Office of the Accountant General, Posts and Telegraphs, New Delhi, and (iv) in the Offices of the Deputy Accountants General, Madras, Bombay, Nagpur, Delhi and Calcutta?

(b) How many of those camp clerks are Muslims and how many belong to other communities?

(c) If the Muslims are inadequately represented in this line, are Government prepared to equalise the number?

The Honourable Sir Frank Noyce: (a) and (b). A statement is laid on the table of the House.

(c) Government do not consider it necessary to go further than to see that their orders regarding the adjustment of communal inequalities in the recruitment of staff, as in force from time to time, are carefully observed.

Statement referred to in reply to parts (a) and (b) of starred question No. 1349.

Offices.	Total No. of camp clerks.	Muslims.	Other communities.	Remarks.
Postmaster-General, United Provinces Circle	4	*Nil*	4	
Postmaster-General, Bengal and Assam Circle	4	*Nil*	4	
Postmaster-General, Bombay Circle	4	*Nil*	4	
Postmaster-General, Madras Circle	4	*Nil*	4	
Postmaster-General, Punjab and N. W. F. Circle	4	2	2	
Postmaster-General, Bihar and Orissa Circle	2	*Nil*	2	
Postmaster-General, Central Circle	2	1	1	
Postmaster-General, Burma Circle	2	*Nil*	2	
Director of Posts and Telegraphs, Sind and Baluchistan Circle	1	*Nil*	1	
Directorate	9	1	8	
Accountant-General, Posts and Telegraphs, New Delhi	*Nil*	*	*	*One stenographer accompanies the Accountant-General to his camp office.
Deputy Accountants-General, Posts and Telegraphs, Madras, Nagpur, Delhi and Calcutta	*Nil*	*	*	*There is no Deputy Accountant-General, Posts and Telegraphs at Bombay.

GAZETTED OFFICERS IN THE DELHI DIVISIONAL OFFICE OF THE NORTH WESTERN RAILWAY.

1350. ***Mr. H. A. Sathar H. Essak Sait:** Will Government be pleased to state the number of gazetted officers in the Delhi Divisional Office of the North Western Railway and the number of Muslims among them?

The Honourable Sir Muhammad Zafrullah Khan: There are altogether 26 officers working at present in the office of Divisional Superintendent, Delhi, but none of them is a Muslim.

APPOINTMENT OF A STENOGRAPHER IN THE INFORMATION BUREAU.

1351. ***Bhai Parma Nand:** (a) Will Government please state who is the appointing authority and in charge of establishment in the Information Bureau?

(b) Will Government please state how many stenographers in the Information Bureau are Hindus?

(c) Has any additional post of stenographer been created in that office? If so, will Government please state the community to which the candidate appointed in that post belongs?

(d) How did Government make a selection for the filling up of that post? Did they hold any test?

(e) If the answer to the latter portion of part (d) above be in the affirmative, will Government please state how many candidates sat at the test and what position was secured by the candidate appointed in that post?

(f) What are the rules about recruitment of ministerial staff in this office? Is this office exempted from the operation of the Public Service Commission examination?

(g) Has the selected man passed any of the Public Service Commission examinations?

(h) If the answer to parts (f) and (g) above be in the negative, will Government please state the rule under which an unqualified man could be appointed?

(i) Will Government please state the nature of the vacancy in which the unqualified gentleman has been appointed, whether permanent, temporary, or likely to become permanent?

The Honourable Sir Henry Craik: (a) In respect of the clerical establishment including stenographers the Director is the appointing authority. The senior Deputy Director is the officer in charge of the office establishment.

(b) None.

(c), (d) and (e). A stenographer was sanctioned for the Additional Deputy Director and the post was filled by a Muslim who was selected as the best from among the candidates who applied for the post. A test was held at which 12 candidates were asked to appear, but seven actually sat, and the selected candidate stood first.

(f) and (h). The system of recruitment in this office is the same as in the Secretariat and other attached offices. Vacancies in posts of assistants and clerks, except temporary vacancies of less than three months' duration, are filled through the Home Department from the list of candidates who have appeared at the competitive examinations held by the Public Service Commission. Formerly stenographers were also recruited in this way, but a change in the method of recruiting stenographers is under consideration and pending a decision heads of offices have been allowed to make temporary appointments in vacant posts of stenographers.

(g) No. The Public Service Commission has ceased to hold examinations for stenographers.

(i) The appointment is temporary but is likely to become permanent. The present incumbent has been appointed to fill it on a temporary basis, as explained above.

APPOINTMENT OF STENOGRAPHERS IN THE INTELLIGENCE BUREAU.

1352. *Bhai Parma Nand: (a) Is it a fact that six Central Intelligence Officers and their staff have been sanctioned on the staff of the Intelligence Bureau? If so, how many of them have so far been appointed and what are their duties?

(b) Is it a fact that each of these officers has been given a stenographer? If so, how has the selection of stenographers been made?

(c) Will Government please state how many stenographers to these officers have so far been appointed, and the community to which they belong?

(d) Is it a fact that these officers' headquarters will be in their respective provinces?

(e) If the answer to part (d) above be in the affirmative, will Government please state whether Provincial scales of pay have been sanctioned? If not, why not?

(f) Will Government please state the strength of stenographers of the Intelligence Bureau and their communal composition?

(g) Will Government please state whether the recent orders regarding recruitments issued by the Government of India, were complied with in making these appointments and due share of proportion has been given to each community?

(h) Is it a fact that the criterion of making appointments in the offices of the Public Information and the Intelligence Bureau differ from other departments of the Government of India and its attached offices and their scales of pay are also different?

(i) Will Government please state what other staff, in addition to the six Central Intelligence Officers and their stenographers, has been sanctioned in the Intelligence Bureau?

(j) Has the staff mentioned in part (i) above been appointed? If so, what are their designations and their communal composition?

The Honourable Sir Henry Craik: (a) Yes, all the six officers have been appointed. Their duties are to collect information on matters which concern more than one province and are of all-India importance and to act as liaison officers between Intelligence organisations.

(b) Yes, the appointments are made by selection from suitable applicants.

(c) Five so far, of whom three are Hindus and two are Muhammadans.

(d) Their headquarters are at provincial centres at present, but are liable to variation.

(e) The scale of pay sanctioned for the stenographers is the revised scale for stenographers at the headquarters of the Government of India. This was done with a view to make inter-transfers possible and because no other ministerial staff is sanctioned, so that stenographers will have also to do clerical and accounts work.

(f) Four, excluding the above, of whom two are Hindus, one is an Indian Christian and one an Anglo-Indian.

(g) Yes.

(h) The criterion of making appointments in the Bureau of Public Information does not differ from other departments of the Government of India and its attached offices, but recruitment to the ministerial posts in the Intelligence Bureau is not made through the Public Service Commission. The revised scales of pay of the posts of assistants, stenographers and clerks in these offices are the same as those in the Departments of the Government of India and in other attached offices.

(i) and (j). The following additional staff has been appointed for the six Central Intelligence Officers.

(1) Six Deputy Central Intelligence Officers of whom two have been appointed so far; one is a Hindu and the other a Muhammadan.

(2) Ten Assistant Central Intelligence Officers of whom four have been appointed so far—all of whom are Hindus.

(3) Six Daffadars and 30 peons of whom 18 have been appointed so far—ten Hindus and eight Muhammadans.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

Mr. M. Ananthasayanam Ayyangar: Supplementary question, Sir . . .

Mr. President (The Honourable Sir Abdur Rahim): The next question has been called.

Mr. M. Ananthasayanam Ayyangar: It is a matter of importance.

Mr. President (The Honourable Sir Abdur Rahim): It is not necessary that there must be supplementary questions to every question. The next question has been called. The Honourable Member should have got up earlier.

Mr. M. Ananthasayanam Ayyangar: If the next question is called with lightning speed, how can supplementary questions be put?

Mr. President (The Honourable Sir Abdur Rahim): The next question has been called.

Mr. M. Ananthasayanam Ayyangar: All right. I will obey your order.

EMPLOYMENT OF SECRETARIAT STAFF AS CRIMINAL INVESTIGATION DEPARTMENT INFORMERS.

1353. ***Bhai Parma Nand:** (a) Will Government please state if Government servants in the Secretariat are or can be employed in addition to their own duties, as Government Criminal Investigation Department informers?

(b) If the answer to part (a) above be in the affirmative, will Government please state whether they grant any honorarium, etc.?

The Honourable Sir Henry Craik: (a) and (b). No Government servant is a paid informer of the Criminal Investigation Department.

BOOK ENTITLED "COMMUNISM AND ISLAM".

1354. ***Bhai Parma Nand:** (a) Are Government aware of the publication of a book called "Communism and Islam" on which the writer's name is not published?

(b) Is it a fact that this book has been written by a clerk in the Home Department?

(c) Is it a fact that the book has been financed by the Public Information Bureau?

(d) Is it a fact that the Deputy Director of Information recommended to the Home Department for some honorarium to be granted to this clerk?

(e) If the answer to part (d) above be in the affirmative, will Government please state the amount of honorarium paid to him, and from which head it was paid?

(f) Is it a fact that Government have issued instructions to Local Governments, colleges and other bodies, to buy this book for propaganda purposes?

The Honourable Sir Henry Craik: (a) Yes.

(b) Yes. He obtained the Government of India's permission to write this book.

(c) No.

(d) No. No recommendation was made by the Director, nor did the writer ask for an honorarium.

(e) This does not arise.

(f) No.

Pandit Lakshmi Kanta Maitra: Did the Honourable Member make any inquiries with regard to part (d) of the question?

The Honourable Sir Henry Craik: The answer to part (d) is "No. No recommendation was made by the Director, nor did the writer ask for an honorarium".

Mr. T. S. Avinashilingam Chettiar: What is the reply to clause (b)?

The Honourable Sir Henry Craik: Yes. He obtained the Government of India's permission to write this book.

Mr. T. S. Avinashilingam Chettiar: In view of the nature of the subject of this book, will Government adopt it as their policy that their servants should not write on communal or controversial questions.

The Honourable Sir Henry Craik: The book has nothing to do with any communal question, as far as I am aware.

POLICE CONSTABLES INVOLVED IN CASES OF ABDUCTION OF WOMEN IN AJMER-MERWARA.

1355. ***Bhai Parma Nand:** Is it a fact that recently some police constables of Ajmer-Merwara were involved in several cases of abduction of women by the *goondas*?

Sir Aubrey Metcalfe: The reply is in the negative.

ALLEGATIONS AGAINST THE SUPERINTENDENT OF POST OFFICES, PESHAWAR.

1356. ***Sardar Sant Singh:** Are Government aware that one Hindu (Kanshi Ram) while working as orderly peon to the Superintendent, Post Offices, Peshawar, was given corporal punishment by the Superintendent in the presence of the staff for his refusal to cook his meals against religious feelings, and was subsequently expelled from service on this account? If so, are Government prepared to institute an enquiry into the matter and order re-instatement of the official?

The Honourable Sir Frank Noyce: Government have no information and do not propose to obtain it. It is open to the aggrieved official to represent his case to the higher authority through the proper channel.

WANT OF POSTAL AND TELEGRAPHIC FACILITIES IN THE CHHOTA NAGPUR DIVISION OF BIHAR AND ORISSA.

1357. ***Mr. Ram Narayan Singh:** (a) Are Government aware of the great want of postal and telegraphic facilities in the Chhota Nagpur Division of Bihar and Orissa and if so, are they going to take any steps to remove the same grievances?

(b) What is the number of new experimental post offices opened during the current year in the whole of India in general and in the Chhota Nagpur Division in particular?

The Honourable Sir Frank Noyce: (a) Government are aware that there is room for improvement in the provision of postal or telegraph facilities in rural areas generally and, as the Honourable Member is aware, a sum of Rs. 50,000 was provided in the current year's budget for improving postal facilities in rural areas and a sum of Rs. 1½ lakhs is provided for the same purpose in the budget of the department for the next year. I have no doubt that the Chhota Nagpur Division will benefit with other rural areas in India. Government understand that as against 241 post offices which existed in April, 1935, there were in March, 1936, 256 offices in the division. The Honourable Member will, therefore, see that the extension of postal facilities has not been neglected in the Chhota Nagpur Division.

(b) The number of new experimental post offices opened during the current financial year, so far in the whole of India, was 222 of which three were in the Chhota Nagpur Division.

Mr. Ram Narayan Singh: According to the next programme of the Government with regard to postal facilities, how many new post offices will be opened there?

The Honourable Sir Frank Noyce: The programme is that a provision of two lakhs will be utilised to the best possible advantage.

ARCHÆOLOGICAL INVESTIGATIONS IN THE CHHOTA NAGPUR DIVISION.

1358. ***Mr. Ram Narayan Singh:** (a) What are the methods of archæological investigation?

(b) Is any archæological investigation going on in the Chhota Nagpur Division, and if so, what and where? If not, why not?

(c) Are Government aware of the fact that in the police station of Hunterganj in the Hazaribagh District, there is a Kolhuwa Hill and have Government considered whether an archæological investigation can be conducted to the benefit of the country?

Sir Girja Shankar Bajpai: (a) The methods comprise a wide range including the study of inscriptions, coins, surface antiquities and, if excavation is conducted, of stratigraphical evidence and of antiquities found in the course of excavation.

(b) No; for want of funds.

(c) Yes. The Archæological Superintendent of the Circle is being asked to examine the antiquities of the place.

MIGRATION OF LABOURERS FROM THE CHHOTA NAGPUR DIVISION.

1359. ***Mr. Ram Narayan Singh:** (a) Will Government be pleased to state the approximate or definite number of labourers who have migrated from the Chhota Nagpur Division during the last five years either to any other province in this country or outside it?

(b) Is any recruitment of labourers, recognised by Government, going on in the Chhota Nagpur Division and if so, in which Districts, for which places and by which Company or organisation?

(c) What is the number of Chhota Nagpur labourers at present working in the tea gardens of Assam and the Malaya Islands?

The Honourable Sir Frank Noyce: (a) Government have no information except that during the period, 1st October, 1933, to 30th September, 1934, 33,473 labourers emigrated from the Chhota Nagpur Division to the Tea Districts in Assam.

(b) Recruitment in Bihar and Orissa to tea estates in Assam is controlled under the Tea Districts Emigrant Labour Act, 1932. During 1933-34, recruitment was carried out in all the five districts of the Chhota Nagpur Division and the companies or organisations concerned were:

1. The Tea Districts Labour Association,
2. The Makum (Assam) and Namdang Tea Company, Limited,
3. Shaw Wallace and Company, and
4. The Empire of India and Ceylon Tea Company, Limited.

(c) I am unable to say.

EFFECT UPON THE EARNINGS OF THE KALKA-SIMLA RAILWAY BY THE ORDER ASKING GOVERNMENT SERVANTS TO TRAVEL IN THE CLASS TO WHICH THEY ARE ENTITLED.

1360. ***Pandit Sri Krishna Dutta Paliwal:** (a) Will Government be pleased to state the effect upon the earnings of the Kalka-Simla Railway of the orders issued by them to their servants to travel only by the same class to which they are entitled?

(b) Will Government be pleased to state the number of Government servants who travelled by first and second classes from Simla to Kalka and the number who travelled by cars during the last move?

(c) Will Government be pleased to state the total amount paid to first and second class Government servants and the total amount the Kalka-Simla Railway lost on account of the officers who went by car from Simla to Kalka during the last move?

(d) Are Government aware that prior to the issue of the orders prohibiting travelling by lower classes, most of the Government servants used to travel by railway by reservation of full compartments of the classes lower than those to which they were entitled?

(e) Are Government aware that Government do not pay any fare for dependents, other than wives and children of Government servants and therefore the Government servants used to find the above method more economical and convenient?

(f) Are Government aware that since the issue of the above orders Government officials find travelling by road more economical than by railway?

The Honourable Sir James Grigg: (a) and the latter part of (c). The Railway Department estimated that the orders were unlikely to affect the rail traffic between Kalka and Simla.

(b) and the first part of (c). The information could be collected only with an incommensurate expenditure of time and labour.

(d) Government believe that this was the case.

(e) Government are unable to acquiesce in this exploitation of the rules.

(f) Some officers may find it more economical to travel now by road, but on the other hand others will lose the profit which they formerly made by travelling in a class lower than that for which they drew travelling allowance.

Mr. S. Satyamurti: Have Government considered the effect of all this, on railway revenues?

The Honourable Sir James Grigg: I do not gather that it is the object of Government to subsidise the railway revenues.

Mr. S. Satyamurti: Do not the railways belong to the Government?

The Honourable Sir James Grigg: Sir, this is a question of paying to Government servants travelling allowances for a higher class than that in which they travel. I gather, some Government servants, having failed to realise that uncovenanted profit, are now going by road. Well, I cannot help that, but I am certainly not going to pay them to go by rail, for the sake of the railway revenues.

Mr. S. Satyamurti: Cannot Government insist upon their payments made to their own servants being actually spent on their own railways for travel on duty?

The Honourable Sir James Grigg: That is another question.

Mr. S. Satyamurti: Are Government aware of the fact that the Postal Department are carrying mails between Simla and Kalka by motor and not by rail?

The Honourable Sir James Grigg: I am not aware of that fact.

Mr. S. Satyamurti: Will Government make inquiries, and find out whether one Department is robbing another Department, or not?

CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT QUALIFIED FOR FIRST AND SECOND DIVISIONS NOT YET PROVIDED IN THOSE DIVISIONS.

1361. ***Pandit Sri Krishna Dutta Paliwal:** (a) What is the number of clerks in the Government of India Secretariat who are qualified for (i) First Division and (ii) Second Division, but who have not been provided in these divisions?

(b) What is the year in which these persons qualified?

(c) Is it a fact that these persons qualified more than seven years ago, and are Government prepared to devise means to accelerate the absorption of the persons concerned in the cadres for which they are qualified?

The Honourable Sir Henry Craik: (a) and (b). The information is being collected and will be laid on the table in due course.

(c) I cannot answer the first part until the information has been collected. As to the second part, it has been explained in this House before that the system of qualifying examinations has been replaced by a system of competitive examinations. Persons who qualified for a higher division under the old system did not thereby become entitled to promotion but merely became eligible for it. They are still eligible for promotion in the quota of vacancies not reserved for external recruitment, and in order to accelerate their promotion this quota has been temporarily increased, during the period from the 1st April, 1930, to the 31st March, 1936, from one-half to two-thirds in the First Division and from one-fifth to one-half in the Second Division. It has also been laid down that no unqualified person shall be promoted until all the qualified persons who are considered fit for promotion have been absorbed. On the information at present available, Government do not consider that any further measures are necessary to facilitate the promotion of persons qualified for a division higher than the one in which they are employed.

RECRUITMENT TO THE CADRE OF DIVISIONAL ACCOUNTANTS.

1362. ***Pandit Sri Krishna Dutta Paliwal:** Is it a fact that the appointment in the Audit Offices in the Subordinate Accounts Service is considered as a departmental promotion, and in the cadre of the Divisional Accountants as direct recruitment for the purpose of appointment of minority men, while the sources of recruitment to both these cadres are almost the same? If so, will Government please state the reasons for this differential treatment?

The Honourable Sir James Grigg: With your permission, Sir, I propose to reply to questions Nos. 1362 and 1363 together.

The information is being obtained and will be laid on the table of the House in due course.

RECRUITMENT TO THE CADRE OF DIVISIONAL ACCOUNTANTS.

†1363. ***Pandit Sri Krishna Dutta Paliwal:** Is it a fact that the services of the Divisional Accountants on the cadre of the Accountant General, Central Revenues, are all-India services, having jurisdiction throughout India and even outside India, *e.g.*, in Port Blair, Bushire (Persia), and that the recruitment in the cadre of the Divisional Accountants in that office can be made from all the Divisions under its control? If so, will Government please state whether the all-India ratio of adjustment of minority communities is being observed in that office in making recruitment to the cadre of the Divisional Accountants? If not, why not?

DISMISSAL OF POSTAL EMPLOYEES DISQUALIFYING THEM FROM RE-APPOINTMENT IN GOVERNEMENT SERVICE.

1364. ***Mr. Muhammad Anwar-ul-Azim:** (a) With reference to the supplementary questions and answers in connection with question No. 1, asked by Mr. Lalchand Navalrai on the 16th July 1934, will Government be pleased to state whether there have been any instances of dismissals from service of postal employees which have not been notified in the Gazette of India, disqualifying the persons concerned from re-employment in Government service?

(b) If so, have any of the persons so dismissed been re-employed in Government service?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state whether the service previous to dismissal has been allowed to count towards pension?

The Honourable Sir Frank Noyce: (a) and (b). Government regret that they are unable to furnish the information as its collection would involve an undue expenditure of time and labour. I may, however, add, that it is not usual to notify in the Gazette the dismissal of postal employees.

(c) Does not arise.

ARRANGEMENTS FOR WORK ON SUNDAYS AND POSTAL HOLIDAYS IN THE HOWRAH RAILWAY MAIL SERVICE.

1365. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that in reply to starred question No. 869, asked on the 22nd March, 1933, Government stated that they were not aware of the precise arrangements for work on Sundays and other Post Office holidays in the Howrah Railway Mail Service?

(b) Is it a fact that when questioned, the late Sir Thomas Ryan stated that it seemed to him that the fact as stated was improbable?

(c) Is it a fact that he promised to send a copy of the question to the head of the circle concerned?

(d) Is it a fact that the officials of the Howrah Railway Mail Service are still working for 365 days in a year without any respite, in spite of the fact having been brought to the notice of Government?

† For answer to this question, *see* answer to question No. 1362.

(e) If the answer to parts (a) to (d) be in the affirmative, will Government be pleased to state:

(i) the precise arrangement, if any, made in the Howrah Railway Mail Service for granting relaxation to the staff on Sundays and Post Office holidays;

(ii) the purport of the reply received from the head of the circle in answer to the starred question No. 869, dated the 22nd March, 1933; and

(iii) the action they propose to take in the event of no provision having yet been made to grant any relaxation to those staff?

Mr. G. V. Bewoor: (a), (b) and (c). Yes.

(d) and (e). Information has been called for and will be placed on the table in due course.

GRANT OF RELAXATIONS ON SUNDAYS AND HOLIDAYS TO THE CLERKS IN THE SUB-RECORD OFFICE OF THE HOWRAH RAILWAY MAIL SERVICE.

1366. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that the clerical staff of the Sub-Record Office of the Howrah Railway Mail Service, who were enjoying relaxation on Sundays and holidays so long, have been deprived of the respite by their having been put on sorting duty in the Howrah Railway Service Post Office?

(b) Is it a fact that under Rule 15 of the Posts and Telegraphs Manual, Volume VII, Record Offices may be entirely closed, provided adequate arrangements are made for urgent work?

(c) Is it a fact that the Director General, Posts and Telegraphs, has stated in his letter No. E. S. A.-10/33-Coll.-18/Part II, dated the 15th November, 1935, that the period of twelve days casual leave for clerical staff attached to Record Offices was fixed solely in consideration of the fact that the staff employed in these offices have not to forego holidays?

(d) Is it a fact that there is no time-test for the clerical staff attached to the correspondence branch of Record Offices?

(e) If the answers to parts (a) to (d) be in the affirmative, will Government be pleased to state the reasons for which the clerical staff attached to the Sub-Record Office, Howrah Railway Mail Service, have been deprived of the relaxation on Sundays and Post Office holidays, and what action they propose to take against the authority for its failure to act up to the manual rule and the standing order of the Department?

(f) Are Government prepared to issue a definite order to grant relaxation to the clerical staff concerned?

Mr. G. V. Bewoor: Information has been called for and will be placed on the table in due course.

FIXATION OF WORKING HOURS OF INFERIOR STAFF IN THE RAILWAY MAIL SERVICE.

1367. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that the working hour of inferior staff in the Railway Mail Service is fixed according to the working hour of the set to which they are attached?

(b) Is it a fact that they are entitled to enjoy the same amount of rest as the superior staff attached to the set in which they are working?

(c) Is it a fact that in the matter of granting relaxation on Sundays and Post Office holidays, the Director General, Posts and Telegraphs, issued instruction in his memorandum No. 244-Est./B-30, dated the 10th March, 1931, to the effect that menials in Mail Offices should not be kept in watertight compartments but should be pooled and given holidays in rotation?

(d) If the answers to parts (a) to (c) be in the affirmative, are Government prepared to enquire into the circumstances under which the porters attached to the Howrah Railway Mail Service set No. 1 and set No. 2 are not allowed rest just after the working hours of the set, and are made to work again the same day, and are thus deprived of the amount of rest hitherto enjoyed by them?

(e) Do Government propose to direct the subordinate authorities to act up to the instructions quoted above? If not, why not?

Mr. G. V. Bewoor: Information has been called for and will be placed on the table in due course.

AMENDMENT OF STANDING ORDERS AND RULES IN THE MATTER OF PRIVILEGES OF MEMBERS OF THE LEGISLATIVE ASSEMBLY.

1368. ***Sardar Sant Singh:** With reference to the ruling of the Honourable the President in the matter of making of motions regarding the privileges of the Members of the Assembly, will the Honourable the Leader of the House be pleased to state if any action is proposed to be taken on the lines suggested by the Honourable the President in regard to the amendment of Standing Orders and Rules? If so, when does he propose to bring forward such amendments?

The Honourable Sir Nripendra Sircar: The question whether the Rules and Standing Orders should be amended, and, if so, in what sense, requires careful study and cannot profitably receive the consideration of Government during the pressure of this legislative Session. If the Honourable Member puts a question on the subject at the opening of the Simla Session, I shall be in a position to inform him of the conclusions reached by Government and of the amendments, if any, which they propose to promote. I may add that any suggestions which may in the meantime be received from any Honourable Member will receive consideration.

Sardar Sant Singh: May I know why the Honourable Member requires a question from me at the beginning of the Simla Session?

The Honourable Sir Nripendra Sircar: If my Honourable friend no longer feels any interest in the matter, he need not put any question, and wait and see what we are doing.

Sardar Sant Singh: Is not my present question sufficient to give notice to the Government that the House is very anxious to know how Members are placed in the matter of their speeches?

The Honourable Sir Nripendra Sircar: Have I not made it perfectly clear that we are going to take action and we want some little time to consider the matter?

Sardar Sant Singh: May I know if the Honourable Member contemplates taking action in the matter of amending the law about the extension of the rights of the Members of this House to publishing their speeches in the press of the country?

The Honourable Sir Nripendra Sircar: Certainly not.

Sardar Sant Singh: Why not?

The Honourable Sir Nripendra Sircar: That is a matter of opinion. In my opinion, it ought not to be done.

Sardar Sant Singh: If that is the view of the Honourable Member, —and probably that is the view of the Government of India too—may I know in what way the Members of this House can tell their electorate what they have been doing in this House?

The Honourable Sir Nripendra Sircar: They have not the slightest difficulty about telling their electorate what they have been doing, provided they do not utter seditious speeches.

Sardar Sant Singh: May I know what will be the effect upon the right of the freedom of speeches if we are to tell our electorate,—who, as the Honourable Member perfectly knows, are not always educated in English—what we are doing here, unless we publish our speeches there, and, if we do not utter sedition here in this House, then where is the freedom of speech here? (Laughter.)

The Honourable Sir Nripendra Sircar: My Honourable friend's long question is based on the assumption of a freedom of speech which does not exist.

Pandit Lakshmi Kanta Maitra: Does not the Honourable Member realise that the law of sedition is so very elastic that any kind of speech can be construed into a seditious speech under section 124 of the Indian Penal Code?

(No answer.)

Qazi Muhammad Ahmad Kazmi: Is it not a fact that, as a matter of fact, seditious speeches are not allowed in this House, and that speeches that are made by Honourable Members in the presence of the Honourable the President and other Honourable Members are certainly not to be considered seditious, as, if it were otherwise, presumably a Member making such a speech would be stopped, and so the question of publishing seditious speeches outside does not arise?

The Honourable Sir Nripendra Sircar: I take it, a seditious speech cannot be uttered in this House, but we have not been so touchy as the Opposition, so as to make an interruption on every occasion that a seditious speech is in fact uttered.

Qazi Muhammad Ahmad Kazmi: Is it not the duty of the Leader of the House or of the Treasury Benches to interrupt when seditious speeches are made? I take it, it is the duty of the Honourable the President to stop us; there is no question of whether you interrupt or not, and speeches made in the presence of the Honourable the President must be regarded to have been not seditious.

The Honourable Sir Nripendra Sircar: I think I should exercise my discretion; otherwise every ten minutes I shall have a long discussion on whether the speech of an Honourable Member comes under section 124A or not.

Qazi Muhammad Ahmad Kazmi: It is not a question for the Law Member to decide, it is for the President.

Mr. President (The Honourable Sir Abdur Rahim): Since the Honourable Member has mentioned the President's powers in this connection, the Chair may say that if the President were to consider every speech that is made here from that point of view, then the liberty of speeches in the Chamber itself may be very seriously curtailed. (Hear, hear.)

Sardar Sant Singh: In view of the observations made by the Honourable the President just now, may I ask the Government of India if they want to amend the Constitution as it is in India? Do not they mean to introduce legislation amending the press law and the law of defamation and the law of libel in India, in such a way as to give Members of this House liberty to re-publish their speeches and translate them?

The Honourable Sir Nripendra Sircar: No, Sir.

Mr. S. Satyamurti: May I know, if the Government, as a whole, have considered this question, and come to the conclusion that the decision as adumbrated by the Honourable the President, on the existing law, is the last word on the subject, and that they are not called upon to amend the law, in order to give a freedom of speech limited to the re-publication of speeches delivered in the House,—which are now protected if they are published by the official publishers, but not by any other printer or publisher?

The Honourable Sir Nripendra Sircar: This question was considered not only because of the Honourable the President's ruling, but also on previous occasions, as the debates in the Assembly will show, and we see no reason for introducing legislation.

Mr. S. Satyamurti: May I know if Government have considered this anomaly that, while speeches which are made here, seditious or otherwise,—it is another matter,—can be published by the official publisher, there is the anomaly that, if the same speeches are printed in a newspaper by a private printer, he comes within the clutches of the law, and especially of the executive?

The Honourable Sir Nripendra Sircar: Government do not consider it as an anomaly at all. The circulation of the officially printed speech is limited to people who read the official proceedings, and the impression left on the minds of such people as also the number affected is quite different from the situation arising from cheap or free issues of speeches for being widely broadcasted every day.

Mr. S. Satyamurti: Have Government considered the need for educating the electorates in this country, because the punishment that is given to those who make those bad speeches should not be by executive orders, but by substituting the democratic verdict of the electorates for the arbitrary unjust power of the executive which will be exercised according to various canons?

The Honourable Sir Nripendra Sircar: It is absolutely unnecessary, because, if my friend gets charge of the Ministry, no prosecution for sedition can be launched without his sanction under section 196.

Sardar Sant Singh: May I know, Sir, whether it is a fact or not that the debates of this House can be purchased for five annas and in any number by any man?

The Honourable Sir Nripendra Sircar: Has the Honourable Member no information on this matter?

Sardar Sant Singh: I want to know if the Honourable the Leader of the House has any information on the subject or not.

The Honourable Sir Nripendra Sircar: The Leader of the House is very ignorant, but has knowledge of this matter.

Sardar Sant Singh: Can those debates be sent in any number to any number of persons in the country?

The Honourable Sir Nripendra Sircar: Yes, Sir, but that means any number of five annas.

Sardar Sant Singh: May I know if it is the Government of India's view that the Members of this House should inform their electorates of the work they are doing in the House by spending five annas, and not by spending one anna for a newspaper?

The Honourable Sir Nripendra Sircar: They think that the Honourable Members of this House will not run the risk of spending so much money, nor is there any difficulty about speeches which are not seditious or libellous.

Sardar Sant Singh: What is the policy behind it?

The Honourable Sir Nripendra Sircar: The policy has been laid down in section 67 of the Government of India Act, and we are carrying out that policy.

Indian, Great Indian Peninsula and Eastern Bengal Railways to the Railway Board for their further consideration against orders already passed by them, and to His Excellency the Viceroy against the decision of the Railway Board, during the last five years, year by year?

(b) Are Government aware that there is very great dissatisfaction amongst the officers of the various State Railways, particularly the old State Railways, *i.e.*, North Western, Eastern Bengal, and Oudh and Rohilkhand Railways?

(c) Is it a fact that, according to certain rules, the representations addressed to His Excellency the Viceroy are divided into two categories, *i.e.*, according to one category, all the representations must be sent to the Public Service Commission for their opinion, while according to the other, the representations could be held up by the Railway Board?

(d) Is it a fact that most of the Railway officers have expressed a desire that their representations should be sent to the Public Service Commission?

(e) Is it a fact that the other Government Departments are sending more or less all appeals that are addressed to His Excellency the Viceroy, to the Public Service Commission for their opinion? If so, are Government prepared to make more use of the Public Service Commission?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

CONTRACT WITH THE SUPERINTENDENT OF EDUCATION, DELHI, REGARDING THE TENURE OF HIS SERVICE.

1371. ***Pandit Sri Krishna Dutta Paliwal:** (a) Will Government please state if it is a fact that they have entered into a contract with the Superintendent of Education, Delhi, regarding the tenure of his service under Government?

(b) Will Government please place on the table the terms of the said contract?

Sir Girja Shankar Bajpai: (a) Yes; in conformity with the usual practice in respect of non-permanent employees of Government of corresponding status.

(b) No.

Pandit Sri Krishna Dutta Paliwal: Do Government propose to cancel the contract?

Sir Girja Shankar Bajpai: No, Sir, there is no need to cancel the contract.

APPLICABILITY OF THE CHILD MARRIAGE RESTRAINT ACT TO NON-REGULATED PROVINCES, ADMINISTERED AREAS AND CANTONMENTS.

1372. ***Pandit Sri Krishna Dutta Paliwal:** (a) Is it a fact that the Sarda Act is not yet applied in some of the non-regulated provinces, administered areas and Cantonments?

(b) If so, will Government please state the names of such places and their reasons for not applying the said Act in these places?

(c) Do Government intend to apply the Sarda Act to these areas? If so, when? If not, why not?

Sir Aubrey Metcalfe: (a) Yes.

Sir, I propose to reply to parts (b) and (c) together. The information is given in the statement which was laid on the table on the 20th September, 1935, with reference to the reply given to question No. 543. As regards Cantonments in the Central India Agency, the reasons for non-application are that there has been no popular demand for such action except from a small section of "social reformers" in Neemuch, whereas petitions against application were received from local Muhammadan residents when the Act was first promulgated; and that disturbance of peaceful relations now prevailing between individuals and communities in these Cantonments might result from acceding to the request made by a small minority in the Neemuch Cantonment.

As regards other administered areas in the Central India Agency, these contain no bazaars and are merely headquarters of Political Officers; such small enclaves do not require social legislation of this type. In administered areas in other Agencies, there has been no public demand for such legislation and at present Government do not propose to move in the matter.

Prof. N. G. Ranga: Are the Cantonments outside the jurisdiction for which the Government of India passes their legislation?

Sir Aubrey Metcalfe: Yes, they are situated outside what is definitely British India.

Pandit Sri Krishna Dutta Paliwal: May I know, Sir, what sort of evidence or what amount of evidence will convince Government that there is a public demand for the legislation?

Sir Aubrey Metcalfe: That is a matter of opinion.

Mr. Sri Prakasa: Do not Government consider the safety of immature boys and girls as more important than the remote possibility of averting a riot?

Sir Aubrey Metcalfe: That, again, is a matter of opinion.

Mr. Sri Prakasa: I want that opinion, Sir.

(No reply.)

DEFICIENCY OF MUSLIMS IN THE GRADES OF LINO AND MONO OPERATORS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

1373. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Will Government be pleased to state the number of vacancies of Lino and Mono Operators filled up by direct recruitment of members of each community separately since 1932, in the Government of India Press, New Delhi?

(b) Is it a fact that no member of the Muslim community has been appointed direct from outside to the posts mentioned in part (a), and the Home Department's circular regarding the recruitment of Muslims in each grade is not being rigidly observed while filling up the vacancies? If not, why not, and what action do Government propose to take in order to make up the deficiency of the Muslims in the grades of Lino and Mono Operators?

The Honourable Sir Frank Noyce: (a) Out of three vacancies two were filled by Hindus and one by an Anglo-Indian.

(b) The appointments were made before the issue of the Home Department orders referred to by the Honourable Member, so that the latter part of the question does not arise. I may, however, mention that since 1932 three permanent Muslim compositors have been specially trained in the press of whom two have been appointed as Mono Operators and one as a Lino Operator.

PAY OF OLD MACHINE MEN AND INKERS ON TRANSFER FROM SALARIED TO PEACE ESTABLISHMENT IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

1374. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Is it a fact that machine men and machine inkers of the Government of India Press, New Delhi, transferred from salaried to piece establishment so far are allowed the minimum class five, which is also allowed to new entrants, without giving due consideration to their long services and pay?

(b) If the reply to part (a) be in the affirmative, are Government prepared to consider the question of fixation of class pay of old hands, in the event of their transfer from salaried establishment to piece establishment?

The Honourable Sir Frank Noyce: (a) The machine men and machine inkers of the Government of India Press, New Delhi, transferred from the salaried to the piece establishment, were classified according to the rules for classification of piece-workers after three months' earnings on piece-work. Class 5 is the maximum and not the minimum class initially allowed to the former, and class 4 is the corresponding class for the latter. New entrants are classified according to the same rules.

(b) I am prepared to have the question considered.

RECRUITMENT OF COMPOSITORS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

1375. ***Maulvi Syed Murtuza Sahib Bahadur:** Is it a fact that the recruitment of compositors in the Government of India Press, New Delhi, is generally made from outside? If so, are Government prepared to consider the claims of the employees already in service who do composing work? If so, are Government prepared to issue instructions to the Manager that employees in service and knowing composing work should in future be given preference to outsiders?

The Honourable Sir Frank Noyce: Yes. Press employees are also eligible for appointment if they are able to satisfy the Manager in a practical test and such appointments have been made in the past. The last part of the question does not arise.

NON-CONFIRMATION OF CERTAIN MEN IN THE BINDERY AND WAREHOUSE DEPARTMENT OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

1376. ***Maulvi Syed Murtuza Sahib Bahadur:** With reference to the Honourable Sir Frank Noyce's reply to unstarred question No. 1136, dated the 29th March, 1935, regarding non-confirmation of certain men in the Bindery and Warehouse Department of the Government of India Press, New Delhi, will Government be pleased to state whether any steps have since been taken to bring the proposal into effect? If so, with what result?

The Honourable Sir Frank Noyce: As I have stated recently in reply to another question orders are about to be issued for the transfer of a large number of posts in the Government of India Presses from the temporary to the permanent establishment. These orders will result in the grant of permanent status to the temporary binders and warehousemen in the Government of India Press, New Delhi.

LENDING AND BORROWING OF MONEY BY EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

1377. ***Maulvi Syed Murtuza Sahib Bahadur:** Is it not a fact that lending and borrowing money among Government servants is against Government Servants' Conduct Rules? If so, are Government aware that some clerks of the Government of India Press, New Delhi, are lending money to the Press employees in contravention of Government orders? If so, are Government prepared to take necessary steps to stop such irregular practice which is bound to produce evil effects in the discipline of the Department?

The Honourable Sir Frank Noyce: Lending and borrowing of money among Government servants is not permissible in the circumstances mentioned in rule 8 of the Government Servants' Conduct Rules. Government are not aware of any cases of breach of this rule in the Government of India Press, New Delhi, and the latter part of the question does not arise.

UNSTARRED QUESTIONS AND ANSWERS.

INCONVENIENT TIMINGS OF THE PASSENGER TRAINS ON THE LOOP LINE.

362. **Babu Kailash Behari Lal:** (a) Has the attention of Government been drawn to an article published in the *Searchlight*, dated the 26th December, 1935 and in the *Indian Nation*, dated the 18th January, 1936, regarding the inconvenient timings of the passenger trains on the loop line?

(b) Will Government be pleased to say if the railway authorities have moved in the matter and taken any action to remedy the grievance?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) The question of the action to be taken is within the competence of the East Indian Railway Administration, but I am bringing the Honourable Member's question to the notice of the Agent.

INCONVENIENCES OF THE NORTH WESTERN RAILWAY STAFF SENT TO QUETTA.

363. Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Is it a fact that staff from various categories have been drafted to Quetta from different Divisions of the North Western Railway as a result of the recent earthquake to replace the staff killed, injured, or evacuated from the devastated area about six months ago, but no definite policy has so far been laid down by the Administration for the return of this staff who have been separated from their families for the above period?

(b) Are Government aware that the above staff are put to a lot of trouble in the way of education of their children and in regard to attending to other multifarious domestic affairs on account of their indefinite stay or absence from their homes?

(c) Will Government state what steps, if any, have been taken by the Agent, North Western Railway, Lahore, to grapple with the trouble arising out of their continued absence of this staff?

(d) Is it a fact that the staff submitted a memorial on 7th September, 1935, praying *inter alia* for the fixation of the period for one year in response to which a pledge has been given *vide* Agent's No. 522-E. 244, dated the 30th September, 1935, that the cases of staff would receive consideration when the position was more stabilised?

(e) Are Government prepared to consider the desirability of taking steps so as to settle this question earlier, so that the staff might be in a position to know as to how long they are going to stay there to enable them to make necessary arrangement for the education of their children, etc.?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (d). Yes.

(b) Government are informed that memorials have been received from certain staff of the Quetta division who are transferred to that division in the emergency, but no complaint has so far been received in regard to difficulties in the way of education of their children.

(c) Under terms of their service agreements, staff are liable for service on any part of the North Western Railway, but Government are informed that the case of those who have been drafted to Quetta to replace staff killed, injured, etc., will receive consideration when the position is more stabilised.

(e) The matter is receiving attention.

QUALIFICATIONS FOR APPOINTMENT ON THE NORTH WESTERN RAILWAY.

364. Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Is it a fact that the minimum qualifications prescribed for appointment on the North Western Railway on and from 1st April, 1926 is a matriculation, second division, or its equivalent, from a recognised University, Junior Cambridge and Diploma Examination of the Aitchison College, Lahore being considered equivalent to matriculation? If so, will Government please state if the appointments in the superior staff or any promotion from inferior to superior were made according to these instructions?

(b) With a view to getting at the accurate information, will Government please have a list of all such candidates put up according to the community to which they belong?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are informed that the minimum educational qualifications, as detailed in the question, are in accordance with the rules as they stood on the 1st April, 1926. The minimum educational qualification was an essential condition for staff recruited in the following categories:

> Station Master and Commercial Group students, Office Clerks (excluding tracers and draftsmen), Correspondence and Shed Clerks, Ticket Collectors, Guards, Boy Firemen and certain other outdoor staff in subordinate Railway service.

With regard to promotion of staff from interior to subordinate service, as these rules did not apply to staff in service prior to the 1st April, 1926, those inferior staff that were subsequently so promoted would be excluded from complying with this condition, provided they were otherwise considered suitable.

As regards direct recruitment in the categories specified above, the prescribed minimum educational qualification has been adhered to.

(b) The information is not readily available and its collection will involve an amount of labour and expense not likely to be justified by results.

POSSESSION OF MINIMUM QUALIFICATIONS BY THE STAFF RE-APPOINTED ON THE NORTH WESTERN RAILWAY.

365. Khan Bahadur Shaikh Fazl-i-Haq Piracha: Is it a fact that according to the Railway Board's orders men discharged after 8th September, 1931, are to be considered as re-appointed and no previous credit is to be given to them? If so, will Government please state whether the staff discharged after the aforesaid date and reappointed possess the required minimum qualifications for appointment on the North Western Railway? If so, are Government prepared to have a statement of all such staff prepared according to communal proportion to show that no infringements have taken place?

The Honourable Sir Muhammad Zafrullah Khan: Government are unable to trace the orders referred to by the Honourable Member. Government are informed that educational qualifications of staff discharged in retrenchment were not re-examined when opportunity for their re-employment offered. As regards the last part of the question the information is not readily available and its collection will involve an amount of labour and expense not likely to be justified by results.

VACANCIES OF GRADE II CLERKS ON THE NORTH WESTERN RAILWAY.

366. Khan Bahadur Shaikh Fazl-i-Haq Piracha: Is it a fact that out of every three vacancies of office clerks in grade II and above, one should be filled by direct recruitment by a suitable graduate on the North Western Railway? If so, will Government please put up a list of all the vacancies that fell vacant since 1st April, 1927 in grade II and above to show that they were filled up rigidly in pursuance of the instructions on the subject according to communities?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed as follows:

(a) Promotions and demotions of Sub-Permanent Way Inspectors are made on departmental basis. Promotions of electric chargemen and electricians are made on divisional basis and demotions of these staff up to 25th July, 1933, were made on the same basis. Since that date demotions have been made on departmental basis.

(b) and (c). I am collecting certain information and will place a reply on the table of the House in due course.

CONDONEMENT OF SHORT BREAKS IN SERVICE OF RAILWAY EMPLOYEES.

370. **Lieut.-Colonel Sir Henry Gidney:** Will Government please state if they intend condoning a break in service to make retired employees of Railways with short breaks in service eligible for railway passes?

The Honourable Sir Muhammad Zafrullah Khan: Agents are being empowered to condone a break in service in such cases on the same principles as are applicable in the case of breaks in service for purposes of gratuity.

VIOLATION OF THE GENEVA CONVENTION RULES IN THE CASE OF BALHARSHA RAILWAY STAFF ON THE GREAT INDIAN PENINSULA RAILWAY.

371. **Lieut.-Colonel Sir Henry Gidney:** (a) Are Government aware that the Geneva Convention rules are being violated in the case of Balharsha station staff on the Great Indian Peninsula Railway?

(b) Are they aware that appeals have been sent in respect of the said violation of the Geneva Convention Rules?

(c) Do Government propose to institute an enquiry into the said violation of the Geneva Convention Rules and remedy it?

The Honourable Sir Muhammad Zafrullah Khan: (a) It is presumed that the Hours of Employment Regulations are referred to. If so, the reply is in the negative.

(b) Government are informed that only a station clerk appealed against being kept on continuous night duty and against the classification of his duty as 'intermittent' but, by rostering him with three other clerks, continuous night duty was avoided and it was found that the classification of his duty as 'intermittent' was correct.

(c) Does not arise.

DUTY HOURS OF LADY BOOKING CLERKS AT HOWRAH STATION.

372. **Lieut.-Colonel Sir Henry Gidney:** (a) Are Government aware of the fact:

(i) that there are a number of lady booking clerks employed at Howrah Station, East Indian Railway;

(ii) that up till quite recently there were in operation three different shifts of these lady booking clerks; and

(iii) that there are only two such shifts in operation to-day?

(b) If the answers to part (a) (i), (ii) and (iii) be in the affirmative, is it a fact that it is a violation of the Geneva Convention Rules in that these lady booking clerks are called upon to do from ten to twelve hours' work daily, including their taking over and delivering charge of their work? If so, what steps do Government propose to take in this matter?

The Honourable Sir Muhammad Zafrullah Khan: (a), (i). Yes.

(ii) and (iii). Government are informed that three shifts are still in operation.

(b) Does not arise.

DETACHMENT OF THEIR INSPECTION CARRIAGES BY OFFICERS OF THE EASTERN BENGAL RAILWAY TO GET EXTRA ALLOWANCES.

373. **Mr. Amarendra Nath Chattopadhyaya:** (a) Are Government aware that the gazetted officers of the Eastern Bengal Railway are in the habit, when out on the line on inspection duty, to detach their inspection carriages at some intermediate station on the downward journey and to attach them to trains that arrive at Sealdah Station after eight hours in order to gain additional allowances?

(b) If so, do Government propose to consider this abuse of the travelling allowance rules with a view to effecting economy to the Railway? If not, why not?

Mr. P. R. Rau: (a) and (b). No such cases have been brought to the notice of Government. It is the duty of the Controlling Officer to see that there is no abuse of the travelling allowance rules.

PROVISION OF RUNNING ROOMS FOR GUARDS ON THE EASTERN BENGAL RAILWAY.

374. **Mr. Amarendra Nath Chattopadhyaya:** Is it a fact that the staff in the Traffic Department (Guards) on the Eastern Bengal Railway are not treated alike in the matter of separate running rooms at stations where running rooms are provided? If so, are Government prepared to see that discriminatory treatment is immediately discontinued and running rooms provided?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed that separate running rooms are provided for the various communities, *i.e.*, European and Anglo-Indian, Hindu and Muslim, wherever this is justified by the number of guards of each community working to the running room station.

SELECTION POSTS AND PROMOTIONS IN THE LOCOMOTIVE AND TRAFFIC BRANCHES OF THE EASTERN BENGAL RAILWAY.

375. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that in the rules for the recruitment and training of non-gazetted staff on State-managed Railways framed by the Railway Board and issued to the Agent, Eastern Bengal Railway, for compliance, it is stated that the Agent of a Railway may specify selection posts or selection grades in the cadre of each branch? If so, will Government please state whether the Agent has specified any selection posts or selection grades, and if so, what posts?

(b) Is it further a fact that considerable resentment is felt by the staff on account of the methods by which promotions are made both in the Locomotive and Traffic branches? If not, are Government prepared to investigate a limited number of cases to test the method of administration?

The Honourable Sir Muhammad Zafrullah Khan: (a) The reply to the first part is in the affirmative. As regards the latter part, Government are informed that there are selection posts and grades but the list is under revision at present.

(b) Government are of opinion that the procedure adopted for making promotions is satisfactory and if the staff consider that they have any cause for complaint they can appeal through the ordinary official channels.

DIFFICULTY EXPERIENCED BY THE PUBLIC IN PURCHASING TICKETS AT SEALDAH STATION.

376. **Mr. Amarendra Nath Chattopadhyaya:** (a) Are Government aware:

(i) that considerable difficulty is experienced by the public in purchasing tickets at Sealdah station as the staff occupy their time in entertaining their friends inside the booking offices;

(ii) that certain individuals are permitted to purchase their tickets inside the booking offices instead of at the booking windows; and

(iii) that outsiders as well as railway staff are continually in those offices to the detriment of the travelling public?

(b) Are Government aware that difficulties in the way of purchasing tickets by short journey passengers will drive intending railway passengers to travel by road? If so, do Government propose to issue instructions to make the purchase of tickets as easy as possible and to prevent unauthorised persons from entering the booking offices? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Government have no information, but I am bringing the Honourable Member's allegations to the notice of the Agent, Eastern Bengal Railway, for such action as he may consider necessary.

RECRUITMENT OF STAFF IN THE CUSTOMS DEPARTMENT AT CALCUTTA.

377. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that in the Resolution of the Home Department, Government of India, Establishments No. F. 14/17-B./33, dated Simla, the 4th July, 1934, posts in the subordinate grades in the Railways, Posts and Telegraphs, Customs, Income-tax, etc., are to be recruited in local areas? If so, will Government please state:

(i) whether the Customs Department at Calcutta have recently recruited staff to the subordinate posts from Allahabad and other places outside Calcutta;

(ii) whether Selection Boards are convened to select suitable men for appointment; and

(iii) whether offers of employment are made to those who excel in hockey or other games?

(b) Is it the policy of Government to appoint only hockey players to the Customs Service? If not, do Government propose to issue instructions to put a stop to this practice of recruitment? If not, why not?

Mr. A. H. Lloyd: (a) No. Paragraph 8 of the Resolution explains how the total reservations for minorities are to be obtained in services in which recruitment is in fact made by local areas but does not state that in any service recruitment must be made only from local areas.

(i) A few candidates residing at places outside the normal area reserved for Calcutta recruitment have been appointed.

(ii) There is no formal Selection Board, but to help him in recruitment for certain posts the Collector has nominated some of the higher officers of the Department to examine applicants and applications and to assist him with their advice.

(iii) No. For posts in the preventive department physical fitness is of considerable importance and athletic qualifications are, therefore, taken into consideration. This does not apply to other posts in the Custom House.

(b) The answer to the first part is in the negative. The second part, therefore, does not arise.

GARAGES BUILT AT SEALDAH.

378. **Mr. Amarendra Nath Chattopadhyaya:** Is it a fact that the Eastern Bengal Railway have built a number of garages at Sealdah for the stabling of motor cars of the gazetted officers? If so, will Government please state:

(i) the number of garages built;

(ii) the total cost of the same; and

(iii) whether any rent is realised for the use of these garages, if so, what amount per garage per mensem?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

(i) Ten.

(ii) Rs. 5,940.

(iii) No.

PLACING OF PERMANENT AND TEMPORARY EMPLOYEES IN A COMMON SENIORITY LIST.

379. **Mr. Sham Lal:** (a) Is there any Government or State Railway Rule, according to which a permanent employee and a temporary employee—(appointed for a definite experimental work) can be placed in a common seniority list after the abolition of the experiment?

(b) Is it a fact that letter No. 683-E.G. of 3rd March, 1931, issued by the Railway Board, did not apply to the staff recruited for the experimental Crew system on the East Indian Railway, as acknowledged by Government in reply to starred question No. 1474(b), dated the 20th December, 1933, laid on the table of this House on the 13th March, 1934?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 379, 380, 385, 396, 397 and 399 together.

I would invite the Honourable Member's attention to my reply to Qazi Muhammad Ahmad Kazmi's starred question No. 832 asked on the floor of this House on the 26th February, 1936.

ABOLITION OF THE POSTS OF TICKET COLLECTORS AND HEAD TICKET COLLECTORS ON THE EAST INDIAN RAILWAY.

†380. **Mr. Sham Lal:** (a) Will Government be pleased to state if the posts of old Ticket Collectors and Head Ticket Collectors were abolished with the introduction of Moody-Ward system on the East Indian Railway from 1st June, 1931? If so, in what respects?

(b) Is it a fact that Head Ticket Collectors employed in a substantive capacity were forced to make room for the temporary recruits of the Crew system, which was abolished from 1st June, 1931?

(c) Under what rules can a permanent Government servant be superseded by a temporary employee under the circumstances mentioned in part (b) above?

RIGHT OF SENDING MEMORIALS BY STATE RAILWAY EMPLOYEES TO HIS EXCELLENCY THE GOVERNOR GENERAL.

381. **Mr. Sham Lal:** Will Government be pleased to state:

(a) if a State Railway employee has got the right of sending a memorial to His Excellency the Governor General in Council against suspension of accruing and vested rights; and

(b) if such a memorial can be withheld by the Agent or the Railway Board?

The Honourable Sir Muhammad Zafrullah Khan: I would refer the Honourable Member to the instructions for the submission of petitions to the Governor General in Council published with Home Department Notification No. F.-6/7/33-II, dated the 19th June, 1933, a copy of which is in the Library of the House.

CONTROL AND AUTHORITY ON STATE RAILWAY EMPLOYEES.

382. **Mr. Sham Lal:** Are State Railway employees under the Agent only and not under the control and authority of His Excellency the Governor General in Council?

The Honourable Sir Muhammad Zafrullah Khan: State Railway employees are under the control of the Governor General in Council, except in respect of matters regarding which powers have been delegated to the Agents of State-managed Railways.

†For answer to this question, *see* answer to question No. 379.

SUPERNUMERARY BRAKESMEN OF THE OLD OUDH AND ROHILKUND RAILWAY.

383. **Mr. Sham Lal:** With reference to the reply given on the 2nd September, 1935, to starred question No. 573 asked on the 26th February, 1935, will Government please state:

(a) the period of supernumerary brakesmen of the old Oudh and Rohilkund Railway pending absorption;

(b) the number of supernumerary brakesmen pending absorption;

(c) the total number of supernumerary brakesmen;

(d) the date of abolition of the posts of brakesmen;

(e) the cause of being supernumerary;

(f) the posts other than letter delivery clerks, in which the supernumerary brakesmen were absorbed on abolition of their posts;

(g) the material difference in the duties of a letter delivery clerk and of a train despatch clerk or a letter sorter;

(h) the date on which the posts of brakesmen were brought into reduction;

(i) the number of the staff brought under reduction and how they were disposed of;

(j) the reasons why the Travelling Ticket Examiners are not paid mileage allowance which they were entitled to it as Travelling Ticket Inspectors under the Accounts;

(k) the reasons for treating the Travelling Ticket Examiners differently from the letter delivery clerks;

(l) the present policy in respect of abolition of posts and absorption into other posts;

(m) whether the present policy is in accordance with Government of India Resolution No. 4863 of 4th December, 1891, and if not, why not;

(n) whether it is a fact that the supernumerary brakesmen are not absorbed in categories the duties of which they are actually performing since 1926; and

(o) whether it is a fact that the staff other than the supernumerary brakesmen if and when ordered to relieve these brakesmen used to draw mileage allowance and if so, whether the mileage allowance was not personal but attached to the posts and if not, whether Government will lay on the table the pay sheets of the relieving staff?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

SUPERNUMERARY BRAKESMEN OF THE OLD OUDH AND ROHILKUND RAILWAY.

384. **Mr. Sham Lal:** With reference to the reply given on 2nd September, 1935, to starred question No. 573, asked on the 26th February, 1935, will Government please state:

(a) whether it is a fact that the supernumerary brakesmen who were utilized as letter delivery clerks and paid Rs. 28 pay, *plus* mileage allowance, are now absorbed in categories the duties of which they are actually performing;

(b) whether it is a fact that they are now fixed into new scales of pay and allowances recently introduced on State Railways;

(c) whether it is a fact that old East Indian Railway letter delivery clerks are allowed a higher rate of pay; and

(d) why these men have not been fitted in the old scales of pay and whether their appointment to Railway services are prior to 16th July, 1934?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

TRAVELLING TICKET INSPECTORS AND EXAMINERS ON THE EAST INDIAN AND NORTH WESTERN RAILAWYS.

†385. **Mr. Sham Lal:** Is it a fact that Mr. P. R. Rau in answer to starred question No. 744, asked on the 26th September, 1935, said that the Travelling Ticket Inspectors on the East Indian Railway and Travelling Ticket Examiners on the North Western Railway were "transferred" from the Accounts Department to the Operating Department? If so, are the transfers of these posts the abolition of posts and if so, under what rules?

TRANSFER OF CONTROL OF THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI, TO THE AGENT, EAST INDIAN RAILWAY.

386. **Mr. Sham Lal:** With reference to the reply given on the 2nd September, 1935, to parts (d) and (e) of starred question No. 602 asked on the 27th February, 1935, relating to the transfer of control of the Railway School of Transportation, Chandausi, to the Agent, East Indian Railway, will Government please lay on the table the declarations of staff who elected the revised scales of pay from the 16th August, 1933; and if not, are they prepared to prosecute the officials or the Agent for an incorrect and false report? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: I lay a statement on the table of the House giving the required information.

†For answer to this question, *see* answer to question No. 379.

The following staff are required to state whether they elect to come under revised scales of the E. I. R. in force from 1st September, 1930, or not. They should clearly say "Yes" or "No." The revised scales will apply to those only who elect to come under new scales:—

Sd. R. F. WOODS,
Superintendent,
Railway School of Transportation, Chandausi.

Dated the 15th August.

Signed or mark of thumb impression.

1	2	3
Peon Havildar.	Signed.	Yes.
Peon.	Thumb impression.	Yes.
,,	Signed.	Yes.
,,	Thumb impression.	Yes.
Waterman.	Thumb impression.	Yes.
Cooly.	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
Sweeper Jamadar.	Thumb impression.	Yes.
Sweeper.	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
Bhishti.	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
Cooly Garden.	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
,,	Thumb impression.	Yes.
Peon.	Signed.	Yes.
Waterman.	Thumb impression.	Yes.
Sweeper.	Thumb impression.	Yes.
Cooly Garden.	Thumb impression.	Yes.

Sd. R. F. WOODS,
Superintendent,
Railway School of Transportation, Chandausi.

PROMOTION OF GUARDS ON THE EAST INDIAN RAILWAY.

387. **Mr. Sham Lal:** With reference to the reply given on the 2nd September, 1935, to unstarred question No. 171, asked on the 9th March, 1935, will Government please state the policy and procedure of normal channel of promotions amongst guards of various grades or classes or on time-scales of pay on the East Indian Railway?

The Honourable Sir Muhammad Zafrullah Khan: I would invite the Honourable Member's attention to rule 15 of the 'Rules for the recruitment and training of subordinate staff on State-managed Railways', which gives the necessary information. A copy of these rules is in the Library of the House.

PROMOTIONS AMONGST STATION MASTERS AND ASSISTANT STATION MASTERS ON THE EAST INDIAN AND NORTH WESTERN RAILWAYS.

388. Mr. Sham Lal: Will Government please state the policy and procedure of normal channel of promotions amongst Station Masters and Assistant Station Masters of various grades, classes or on time-scales of pay on the East Indian Railway and North Western Railway?

The Honourable Sir Muhammad Zafrullah Khan: So far as the East Indian Railway is concerned I would invite the Honourable Member's attention to rule 10 of the 'Rules for the recruitment and training of subordinate staff on State-managed Railways', a copy of which is in the Library of the House. As regards the North Western Railway, Government are informed that the following scales of pay are applicable to Station Masters and Assistant Station Masters on that railway:

Assistant Station Masters (ordinary) .	Rs. 45—5—60—3—75 (efficiency bar at Rs. 60 which is crossed by passing the Station Masters' examination, Course T-6.)		
Station Masters and Assistant Station Masters.	Grade	I	78—4—90—5—95
	,,	II	110—5—140
	,,	III	150—10—190
	,,	IV	200—10—250
	,,	V	260—10—300
Station Masters, Assistant Station Masters, Grade V and Assistant Controllers. (These posts are interchangeable).	,,		260—10—300
Station Masters	,,	VI	320—15—350
	,,	VII	360—20—400
	,,	VIII	425—25—500
Station Superintendents . . .			600—650

The normal channel of promotions for young men recruited as Station Master Group students up to Station Master, grade IV, is on the basis of promotion from grade to grade in order of seniority and fitness, dependent on vacancies in the higher grades. At grade V it has always been customary to bring in additional staff from other categories, such as guards, grade III and IV, subject to their ability to qualify in Course T-5 and securing recommendation of fitness for promotion to higher grades. This has recently been extended to include additional categories of yard foremen and yard supervisors, grade IV and above, special ticket examiners, ticket collectors, enquiry clerks, grade III and above, and platform inspectors, grade I.

Station Masters and Assistant Station Masters, grade V, and Assistant Controllers are held eligible for promotion to senior Station Masters and Traffic Inspectors on their passing the T-7 course in the Walton Training School, Lahore Cantonment.

FILLING UP OF RELIEVING VACANCIES ON THE EAST INDIAN RAILWAY.

389. Mr. Sham Lal: With reference to the reply given on the 2nd September, 1935, to unstarred question No. 172 asked on the 9th March, 1935, will Government please state the rule under which on the East Indian Railway the relieving vacancies of platform assistants are normally filled by relieving guards and not ordinarily filled by Assistant Station Masters? If no such rule is in existence, what action has been taken in the matter, and if none, why not?

The Honourable Sir Muhammad Zafrullah Khan: The position is that the grade of relieving guards has been created specifically with the intention that they should relieve higher grade station masters and assistant station masters which include higher grade platform assistants in the grade Rs. 280—10—330 and Rs. 130—5—250 (old scales of pay). The training of the lower paid assistant station masters is different from that of the relieving guards and the former are not considered suitable for the higher posts. The grade of relieving assistant station masters is Rs. 40—4—76 (old scale of pay) and they are intended to relieve lower grade station masters, assistant station masters and platform assistants. It is obvious that it was not intended that these relieving assistant station masters should relieve the higher grades of assistant station masters and platform assistants mentioned above.

SUPPLY OF *KHADDAR* UNIFORMS ON STATE RAILWAYS.

390. Mr. Sham Lal: With reference to the reply given on the 2nd September, 1935, to unstarred question No. 173, asked on the 9th March, 1935, will Government please state whether it is their policy to encourage the staff to use *khaddar* and to turn up in *khaddar dhoties* on duty? If so, do they propose to order the purchase of *khaddar* for the supply of uniforms on State Railways and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: No. Government do not propose to purchase *khaddar* for the manufacture of State Railway uniforms on account of the indeterminate and inconsistent quality of such cloth and its poor durability when compared with mill-made cloth.

SENIORITY LIST OF SUBORDINATE STAFF OF STATE RAILWAYS.

391. Mr. Sham Lal: With reference to the reply given on the 2nd September, 1935, to unstarred question No. 182, are Government prepared to consider the desirability of making State-managed Railway seniority lists of subordinate staff of all grades and pay a priced sale publication and to watch the results of increase in revenue against the present expenditure and labour incurred thereon? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: Government are not prepared to print the seniority lists of subordinate staff on State-managed Railways for the reasons given by the Railway Board at the tenth half-yearly meeting between the Railway Board and the All-India Railwaymen's Federation, *vide* paragraph 14 of the amplified report of the proceedings of that meeting, a copy of which is in the Library of the House.

PROVISION WITH A SUITABLE JOB OF STAFF DECLARED MEDICALLY UNFIT IN A CERTAIN CATEGORY ON THE EAST INDIAN RAILWAY.

392. Mr. Sham Lal: Are Government aware that the staff who are declared medically unfit in the category required to perform their duties but declared fit in the other category of vision test on the East Indian Railway are never provided in any vacancy in that category for which they are declared fit and after keeping them lingering on for months, the Divisional Superintendents discharge them ultimately either from

the date the orders are issued or with retrospective effect? If not, will Government please state the source of information from which the staff may find out the endeavours and efforts made by the Divisional Superintendents to provide them in a suitable job and what is suitable job and whether a job on Rs. 55 is a suitable job for the staff drawing Rs. 140 per mensem?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed, that on the East Indian Railway, the general policy in the case of the staff who are declared medically unfit in the category in which they are employed but declared fit for service in a lower category, is to make an endeavour to find suitable posts for them in the category for which they are declared fit. It may, sometimes, happen, that a post for which an employee is suitably qualified is not available and in that case there is no alternative but to discharge the employee from the service, but if there is a likelihood of such post becoming available in the near future, he may be granted leave and absorbed at the end of the leave. As regards the last part of the question an employee can always ascertain the position by applying to the officer under whom he is working.

VISION TEST OF RAILWAY EMPLOYEES.

393. **Mr. Sham Lal:** (a) Is it a fact that a railway servant as defined in the Indian Railway Act is required to undergo periodically a test of his vision?

(b) Is it a fact that a railway servant who is required to travel or handle the push or motor trolley is required to undergo the periodical vision test?

(c) Is it a fact that gazetted staff on State Railways who are provided with a pass to use push or motor trolley are required to undergo the periodical vision test in the interest both for himself and for the safety of the public?

(d) If the replies to parts (a) to (c) or any part thereof be in the negative, will Government please state the concise reasons for the differential treatment between gazetted and non-gazetted staff?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (c). No.

(b) Non-Gazetted staff authorised to work trolleys are required to undergo periodical vision tests as laid down in the regulations.

(d) The regulations in question do not apply to the gazetted staff for the reason that their duties differ widely from those of the subordinate staff for whom the regulations were framed.

SUB-INSPECTORS AND ASSISTANT INSPECTORS OF WORKS AND SUB-ASSISTANT SURGEONS CONFIRMED ON THE EAST INDIAN RAILWAY.

394. **Mr. Sham Lal:** (a) Will Government be pleased to state how many Sub-Inspectors of Works, Assistant Inspectors of Works and Sub-Assistant Surgeons on East Indian Railway, have been confirmed since 1926?

(b) How many of them belong to Bengal, Bihar and the United Provinces?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Government have no information and its collection will involve an amount of labour and expense not commensurate with the results likely to be obtained.

PROPORTION OF UNITED PROVINCES MEN IN THE PORTION OF THE EAST INDIAN RAILWAY IN THE UNITED PROVINCES.

395. **Mr. Sham Lal:** (a) Is it a fact that more than half the portion of the East Indian Railway administration is in the United Provinces, and the proportion of United Provinces men is far less than that of Bengalis in the Engineering and Medical subordinate staff? If so, why?

(b) How many posts in grade I have been allotted to old Oudh and Rohilkhand Railway, Inspector of Works? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Government have no information. In this connection I would invite the Honourable Member's attention to the reply given by Mr. P. R. Rau to Sardar Sant Singh's starred question No. 811, asked in this House on the 22nd August, 1934.

HOUSE RENT ALLOWANCE OF THE TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

†396. **Mr. Sham Lal:** With reference to the reply given on the 2nd September, 1935, to starred question No. 840 asked on the 12th March, 1935, will Government please state:

(a) the rule under which the staff was governed for the period from 1st January, 1925, to the date the new rules were introduced in 1932;

(b) the rule under which the staff was governed for the period from 1st July, 1925, to the date the new rules were introduced in 1932; and

(c) the rule under which the temporary staff from 1st August, 1926, to 31st May, 1931, were provided with free accommodation in Hostels specially rented by the Administration?

HOUSE RENT ALLOWANCE OF THE TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

†397. **Mr. Sham Lal:** With reference to the concluding paragraph of the reply given on the 2nd September, 1935, to starred question No. 840 asked on the 12th March, 1935, will Government please state the rule under which the privilege is continued after 31st May, 1931 (the date on which the posts of the ticket collecting and checking staff were abolished)?

DISPOSAL OF PRIVATE COMMUNICATION, ETC., IN THE GOVERNMENT OF INDIA DEPARTMENTS.

398. **Mr. Sham Lal:** Will Government please state the policy and procedure of the Departments of the Central Government or attached or

†For answer to this question, *see* answer to question No. 379.

subordinate thereto in respect of the disposal of communications, letters, correspondence, etc., received by the said Departments from persons not employed by Government or from the public or otherwise and whether it is obligatory on the Department to acknowledge or reply suitably or not?

The Honourable Sir Henry Craik: The instructions are that communications from Associations, commercial bodies and from private individuals should be acknowledged.

TRAVELLING TICKET INSPECTORS AND EXAMINERS ON THE EAST INDIAN AND NORTH WESTERN RAILWAYS.

†399. **Mr. Sham Lal:** Will Government please state:

(a) whether the posts of Travelling Ticket Inspectors on the East Indian Railway and of Travelling Ticket Examiners on the North Western Railway were abolished on reduction of establishment;

(b) whether the reduction of establishment was made on abolition of the nature of labour, work and duty of the said staff;

(c) whether the abolished nature of labour, work and duty of the said staff is not performed by another staff from the date following the reduction of establishment;

(d) whether the entire said staff was brought under reduction;

(e) whether the entire said staff were discharged from the service on reduction of establishment;

(f) the number, date and nature of the order, promulgated by notification in the Gazette in accordance with the Government of India Resolution No. 4863 of 4th December, 1891, authorizing the reduction of the establishment and discharging the staff;

(g) whether the posts of the said staff were transferred from the Accounts Department to the Operating Department (starred question No. 744 asked in this House on the 26th September, 1935);

(h) the datum required for declaring a post abolished;

(i) the period given to the said staff to accept the appointments offered by the Administrations on changeover of the system and on transfer of the posts from the Accounts Department to the Operating Department; and

(j) the rule which governs the period, transfer or abolition of posts?

RULES REGULATING DISCHARGE, DISMISSAL AND APPEALS OF SUBORDINATE STAFF.

400. **Sirdar Jogendra Singh:** (a) Will Government please state whether the rules made by the Secretary of State for India in Council under sub-section (2) of section 96-B of the Government of India Act, 1919, and published in the Government of India, Home Department Notification No. F.-472-II-23, dated the 21st June, 1924, are retrospective in their application?

†For answer to this question, *see* answer to question No. 379.

(b) If the reply to part (a) be in the negative, will Government please quote the rule or orders which permitted the application of these rules only to such Government servants as had entered Government service after the 21st June, 1924?

(c) If the reply to part (a) be in the affirmative, will Government quote the powers of the Secretary of State in Council under the Government of India Act, 1919, and state whether the Act contemplated or empowered the Secretary of State in Council to frame rules?

(d) With reference to the reply given on the 4th February, 1936 on the floor of this Assembly to question No. 73 by Dr. N. B. Khare, and published on page 85 of the Legislative Assembly Debates, are Government prepared to issue orders to all concerned that the rules regulating the discharge, dismissal and appeals were not retrospective in their application?

(e) Will Government please state if it is a fact that the rules quoted in part (a) have been cancelled and fresh rules, called the "Civil Services (Classification, Control and Appeal) Rules", have been made?

(f) If the reply to part (e) be in the affirmative, will Government please state the date from which the rules quoted in part (a) stand cancelled, and also the date from which the Civil Services (Classification, Control and Appeal) Rules have come into force?

(g) Will Government please state whether the Civil Services (Classification, Control and Appeal) Rules are retrospective in their application?

The Honourable Sir Henry Craik: (a) I would invite the attention of the Honourable Member to the preamble to the Rules themselves. The Rules were retrospective in the sense that they applied, subject to certain safeguards provided in the Rules themselves, to persons appointed before the dates specified.

(b) Does not arise.

(c) I would refer the Honourable Member to the Government of India Act, itself, and, in particular, to sub-sections (2) and (3) of section 96-B.

(d) Unless it is otherwise specifically provided in the rules themselves, all rules take effect from the date on which they are made. No action is, therefore, called for.

(e) Yes.

(f) The Civil Services (Governors' Provinces) Classification Rules stand cancelled, and the Civil Services (Classification, Control and Appeal) Rules, as originally made, took effect from the 27th May, 1930.

(g) The remarks made against part (a) apply *mutatis mutandis* to that part also.

RULES FOR CLASSIFICATION, CONTROL, CONDUCT AND OTHER CONDITIONS OF SERVICE, ETC., APPLICABLE TO GOVERNMENT SERVANTS.

401. **Sirdar Jogendra Singh:** (a) Will Government please state and quote the rules applicable to and regulating the classification, control, conduct,

inquiry into conduct, discharge, dismissal, appeal and other conditions of service of:

(i) members of an all-India service;

(ii) members of provincial services; and

(iii) members of subordinate services,

for such members of these services as had entered Government service:

(1) before the date on which the Government of India Act, 1919, came into force;

(2) between the date on which the Government of India Act, 1919, came into force and the 21st June, 1924;

(3) between the dates 21st June, 1924 and the 8th March, 1926:

(4) between the dates 8th March, 1926 and the 27th May, 1930; and

(5) after the 27th May, 1930?

(b) Will Government please state whether the individual consent of such Government servants as had entered Government service before the date on which the Government of India Act, 1919, came into force, was required or obtained in the case of:

(i) leave rules framed under the Government of India Act, 1919; and

(ii) rules framed under the Government of India Act, 1919, regulating the classification, control, conduct, inquiry into conduct, discharge, dismissal, appeal and other conditions of service of Government servants,

before such rules were made applicable to each Government servant?

(c) With reference to part (b), will Government please state the rules regarding classification, control, conduct, inquiry into conduct, discharge, dismissal, appeal and other conditions of service made applicable to and the exact procedure adopted in the case of such Government servants as did not give their consent to or wish the new rules made under the Government of India Act, 1919, being made applicable to them?

The Honourable Sir Henry Craik: (a) I regret I am unable, in the course of reply to a question, to enumerate the various executive rules and orders, statutory rules, etc., issued from time to time, regulating the conditions of service, etc., of members of the All-India Services, Provincial Services and Subordinate Services.

(b) No consent was required or obtained except that:

(i) persons in service on the 1st January, 1922, were given the option to accept leave terms as embodied in the Fundamental Rules or to remain under those to which they had previously been subject; and

(ii) officers (other than Military officers and members of the Indian Civil Service) appointed substantively to the services or the appointments specified in Art. 349-A of the Civil Service Regulations, who were in service on 29th August, 1919, were given the option to elect to come under the provisions of the pension rules contained in Articles 404-A, 465-A, 474-A and 475-A of the Civil Service Regulations.

(c) Does not arise.

NEW SCALES OF PAY FOR JOURNEYMEN ON THE NORTH WESTERN RAILWAY.

402. **Sardar Mangal Singh:** Will Government be pleased to state:

(a) whether it is a fact that orders regarding revised scales of pay for subordinates appointed on the North Western Railway after 15th July, 1931 but before the introduction of the new scales of pay were published in the Extraordinary Gazette, dated the 24th September, 1934;

(b) whether it is a fact that these orders have been given retrospective effect, *i.e.*, from 1st September, 1934;

(c) if the replies to parts (a) and (b) be in the affirmative, whether they are prepared to give effect to these rules from 1st October, 1934; if not, why not;

(d) whether it is a fact that the grades of journeymen, junior chargemen and clerks grade III were Rs. 100—10—170, Rs. 100—10—170 and Rs. 100—5—140, respectively, in the old scales of pay, while in the new scales of pay the grades offered are Rs. 65—5/2—85, Rs. 100—10/2—120 and Rs. 100—10/2—120, respectively;

(e) if the reply to part (d) be in the affirmative, the reason for so much drastic cut in the grade of journeymen;

(f) whether they are prepared to reconsider their decision towards the revision of the revised grades of journeymen, awarding them the same scales of pay as of junior chargemen;

(g) whether it is also a fact that the start of a senior chargeman is the same as that of the junior chargeman *i.e.*, Rs. 100 per mensem under the revised scales of pay, whereas the start of the old scales of pay in the case of senior chargemen and junior chargemen was Rs. 185 and Rs. 100, respectively;

(h) if the reply to part (g) be in the affirmative, the difference between a senior chargeman grade I and junior chargeman on the new scales of pay, and the reason of so much drastic cut in the pay of senior chargeman;

(i) whether they are prepared to reconsider their decision towards the scale of senior chargeman and give them a higher start of pay than the junior chargeman as they are entitled to under the old scales of pay; and

(j) the reason for cutting down the scales of pay for mechanical subordinates in comparison to other subordinates and whether they are prepared to reconsider the revised scales of pay for mechanical subordinates; if so, when?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

STRIKERS OF THE GREAT INDIAN PENINSULA RAILWAY GIVEN EMPLOYMENT ON THE NORTH WESTERN RAILWAY.

403. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether some of the strikers on the Great Indian Peninsula Railway were given employment on the North Western Railway;

(b) whether Government are aware that they are experiencing difficulties in the matter of their children's education and in some other ways; and

(c) whether they propose to consider their transfer to Great Indian Peninsula Railway by way of exchange of men?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) Government have no information.

(c) I would refer the Honourable Member to the reply given to parts (c) and (d) of starred question No. 1203, asked by Bhai Parma Nand on the floor of this House on the 13th March, 1936.

PROVISION OF A WAITING ROOM AT NATHNAGAR STATION.

404. **Babu Kailash Behari Lal:** (a) Will Government be pleased to state if to a question put by Rai Bahadur Sukhraj Rai, on 2nd of March, 1931, regarding the provision of a waiting room at Nathnagar Station, Government replied that they were not aware of the exact arrangements at that station, but a copy of the Honourable Member's question was being sent to the Agent, East Indian Railway for his consideration?

(b) Will Government be pleased to state if they received any reply from the Agent, East Indian Railway, as to what consideration they have been able to give to the question of providing a waiting room at Nathnagar Railway station?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) No, but enquiries are being made from the Agent.

PENSIONS OF THE CLERICAL ESTABLISHMENTS OF THE INDIAN ARMY.

405. **Sardar Sant Singh:** (a) Is it a fact that first, second and third grade clerks in the clerical establishment of the Indian Army are paid salaries at the rate of Rs. 93, 72 and 42 per mensem respectively? If so, what is the maximum pension admissible to these incumbents?

(b) What is the maximum pension admissible to the civil employees drawing the same amount of pay?

(c) What is the reason for this difference?

Mr. G. R. F. Tottenham: (a) The pay and grade pay admissible to 1st, 2nd and 3rd grade Indian military clerks are as follows:

Grade.	Rank.	Pay. Rs.	Grade pay. Rs.	Total. Rs. per mensem.
1st	Dafadar or Havildar . .	25	60	85
2nd	Lance Havildar . . .	23/8	45	68/8
	Lance Dafadar or Naik .	22	45	67
3rd	Lance Naik . . .	18	22/8	40/8
	Sowar or Sepoy . . .	16	22/8	38/8

The maximum rates of ordinary pensions admissible, which depend on rank, are:

	Per mensem. Rs.
Havildar after 21 years' service	15
Naik after 18 years' service	9
Lance Naik and Sepoy after 18 years' service	6

(b) One-half of the average monthly emoluments drawn during the last three years' of service, but only on completion of 30 years' service.

(c) The conditions of service of military clerks are different from those of civilian clerks, and the former qualify for pension after shorter periods of service than those which civilian clerks ordinarily have to complete to earn retiring pensions (*vide* Civil Service Regulations, paragraph 465).

NON-RECOGNITION OF THE RAILWAY WORKERS' ASSOCIATION, MORADABAD.

406. **Mr. Anugrah Narayan Sinha:** (a) Are Government aware that the Railway Workers' Association, Moradabad, is a registered Trade Union under the Trade Unions Act and was registered as such on 19th October, 1935, *vide* certificate of registration No. 16 of 1935-36, issued by the Registrar, Trade Unions, United Provinces?

(b) Are Government aware that after its registration the Railway Workers' Association approached the Agent, East Indian Railway, Calcutta, and the Railway Board, New Delhi, *vide* letter No. 101-Recog., dated 4th November, 1935, for grant of official recognition and certain facilities for organisation in terms of the recommendations made by the Royal Commission on Labour, *vide* paras. 257, 258, 267 and 268 of their report?

(c) Are Government aware that the Railway Workers' Association assured in very strong terms both the Agent, East Indian Railway and the Railway Board in its letter referred to in part (b) of this question, and also in subsequent letters addressed to the said authorities, to the effect that (i) the Association shall always be governed by the Trade Union and Trade Dispute Acts, (ii) the Association shall always adhere to and abide by the Rules, Regulations and Standing Orders that may be framed and issued by the Railway Board, the Agent and the Divisional Superintendents, for the conduct and discipline of the subordinate staff, (iii) the Association shall always assist the Administration in matters of retrenchment, economy of expenses and generally to improve the financial position of the Railway, (iv) the Association shall always discourage strikes, lock-outs and similar other direct actions, (v) the Association shall always

remain aloof from politics and anti-Governmental movements, and (vi) it shall be the first and foremost aim of the Association to educate its members to be strictly loyal and devoted to the State?

(d) Are Government aware that while the Railway Board in their letter No. E. 35-U. T.-123, dated 3rd December, 1935, were pleased to acknowledge receipt of the Association's representation, praying for the grant of official recognition and necessary facilities, and to state that the Railway Board have not accorded recognition to any labour Union as such, as they considered that recognition of particular Unions was a matter for the Agents of Railways and to suggest that the Association should address the Agent of the Railway concerned from whom it sought recognition, the Agent, East Indian Railway, to whom as many as about half a dozen representations have been made both by the working committee and the General Secretary of the Association, has not acknowledged any of the said representations so far?

(e) Are Government aware that the Association named above also placed before the Agent, East Indian Railway and the Railway Board the fact that the Association was being managed by the Railway workers themselves and that it was in accordance with the wishes of the Government of India and the Railway Board themselves that the management was so arranged, and also that the Association sent a memorial signed by most of the office-bearers, members of the working committee of the Association and some Railway employees, praying grant of official recognition, but even then the Agent, East Indian Railway, did not move and has not communicated anything as to his views even?

(f) Are Government aware that the Railway Workers' Association also moved on the subject Mr. P. R. Rau, Financial Commissioner, Railways, *vide* letter No. 101/Gen., dated 6th January, 1936, but there is no response so far?

(g) Are Government aware that this sort of indifferent attitude on the part of the administrations concerned is an abuse of the authority vested in the said administrations and is also a disregard of the orders and injunctions issued from time to time by the Government of India and a disrespect to the Government of His Imperial Majesty who appointed the Royal Commission on Labour?

(h) If Government have no information in respect of the various points referred to in parts (a) to (f) above, do they propose to call for an immediate detailed report and place the same on the table of this House with full reasons justifying the present attitude of the Agent, East Indian Railway in the matter and take such further action in the matter of the grant of recognition as would be in conformity with the recommendations made by the Royal Commission on Labour and assurances held out by the Railway Board and the Government of India from time to time? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a), (b) and (c). Government are only aware that the Railway Workers' Association, Moradabad, applied to the Agent, East Indian Railway, for the grant of recognition and also addressed the Railway Board.

(d), (e) and (g). The reply to the first part of the question is in the affirmative. As regards the second part Government understand that the question of recognition of the Association referred to is still under consideration by the Agent, East Indian Railway, who will no doubt, communicate his decision in due course.

(f) An unofficial reference was received by the Financial Commissioner to which, with other communications, an official reply was issued on 20th February, 1936.

(h) Government do not propose to call for any report though the Railway Board would consider appeal, if any, against the decision of the Agent, East Indian Railway, after it has been communicated to the Association, if the decision is one refusing recognition.

DIFFICULTIES EXPERIENCED BY THE HEIRS OF DECEASED WORKMEN IN THE PAYMENT OF DUES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

407. Mr. Anugrah Narayan Sinha: (a) Are Government aware that at present in the Moradabad Division, particularly of the East Indian Railway, immense harassment and extreme delay is caused to the heirs, which include usually the widows and minor children, of the deceased workmen before any payment of the dues in respect of working days wages, provident fund and bonus and gratuity amounts is actually made to the claimants and that the said claimants are forced to produce evidence and documents not called for under the existing rules?

(b) Is it a fact that in cases where the balance at credit of the deceased member of staff does not exceed Rs. 2,000, the payment of the said balance is regulated by section 3 of the Provident Funds Act (IX of 1897)?

(c) Are Government aware that in spite of the provision referred to in part (b) of this question, cases have actually occurred in the Moradabad Division in which the helpless and penniless *pardanashin* widows of the deceased workmen were forced to produce legal evidence and then run to this and that gazetted officer for having their signature or thumb marks verified and attested, thereby causing them hardship and heavy expenses?

(d) Are Government aware that in a majority of cases, the applications of the claimants, requesting for an early payment and addressing them to any particular address for instance through their attorneys are not heeded and they continue being addressed at their home addresses far away in the interior of their villages which again causes them much worry and expense in running to the cities to their attorneys?

(e) Are Government aware that in the Moradabad Division several cases are pending in which the claimants preferred their claims about a year ago and furnished all possible evidence in support of their claim, but no payment has been made at all?

(f) If Government have no information on the points raised in parts (a) and (c) to (e) of this question, do they propose to call for the papers connected with the claims of Musammat Basanti, widow of Bhola Nath, late pointsman, Chandok, East Indian Railway, Musammat Shahzadi, *alias* Bunnoo, widow of late Hussain Bux deceased shunter Rosa; Musammat Badamo and Mangli daughter and brother respectively of the late Chet Ram, deceased porter, East Indian Railway, Moradabad, and see for themselves how their claims have been handled?

(g) Do Government propose to take suitable action in the matter with a view to facilitate payments to the heirs of the deceased workmen and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

DISMISSAL AND DISCHARGE OF SUBORDINATE EMPLOYEES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

408. **Mr. Anugrah Narayan Sinha:** (a) Are Government aware that dismissal and discharge of subordinate employees, in the Moradabad Division of the East Indian Railway particularly still continues on a vigorous scale and that the instructions issued from time to time regulating the dismissal and discharge of the subordinate employees are not invariably followed?

(b) If the reply to part (a) be in the negative, do Government propose to call for a statement showing the dismissal and discharge of subordinate employees, with full details as to their names, designation, department, length of service, pay and the offence for which discharged or dismissed, during the last six months (from August, 1935 to January, 1936), by the Divisional Superintendent, Moradabad, and place the same on the table of this House? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are informed that dismissal and removal from service are ordered only when other penalties have been imposed and have failed to bring about the desired effect and when it becomes essential to do so in the interest of efficient working, or when the offence is very serious. Instructions issued from time to time regulating the dismissal and discharge of the subordinate employees are strictly followed.

(b) Government have no information and do not consider any useful purpose will be served by collecting it.

APPEALS AND PETITIONS PREFERRED BY THE EMPLOYEES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

409. **Mr. Anugrah Narayan Sinha:** (a) Are Government aware that appeals and petitions preferred by the aggrieved employees or *ex*-employees in the Moradabad Division of the East Indian Railway addressed to the Divisional Superintendent by name and sent direct under registered cover do not in the majority of cases bring an acknowledgment?

(b) Are Government aware that appeals and petitions addressed to authorities higher than the Divisional Superintendent bring absolutely no relief and in almost ninety cases out of one hundred, no acknowledgment is ever received from the said authority still less any communication intimating the action taken on the appeal?

(c) Is it a fact that hard and fast rules stand framed for disposal of appeals, and assurances have on many an occasion been held out to the effect that appeals when addressed within the prescribed time and in a proper manner will always be attended to by the appellate authority?

(d) Are Government aware that in the East Indian Railway particularly appeals addressed to the Agent or the Chief Operating Superintendent are usually sent back to the Divisional Superintendent concerned for disposal, although the appeal may have been preferred against orders passed by the said Divisional Superintendent and thus the matter ends?

(e) If the replies to parts (a) to (d) above be in the negative, do Government propose to call for an exhaustive statement showing the number of appeals preferred to the Divisional Superintendent, Moradabad, the Agent, and the Chief Operating Superintendent, East Indian Railway, during the last six months by the staff in the Moradabad Division against the orders of any of the subordinate officers under the Divisional Superintendent and the Divisional Superintendent respectively and the number of appeals accepted out of the total number of appeals preferred; and the discharged employees reinstated on appeal? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are informed that due consideration is always given to appeals and petitions received through the proper channel and the appellants and petitioners are informed of the decision.

(b) Government are informed that all appeals and petitions to the authorities higher than the Divisional Superintendent submitted through the proper channel are forwarded to the authorities concerned if such appeals lie to them and the decision thereon conveyed to the appellants.

(c) The reply is in the affirmative.

(d) All appeals are required to be sent through the proper channel, *i.e.*, through the officer against whose orders an appeal is submitted. If an employee sends an appeal direct to higher authority, instead of through the officer against whose orders he is appealing, that employee is committing an offence and the higher authority is justified in sending the appeal to the officer concerned for disposal.

(e) Government do not propose to collect the information as it will involve an amount of labour and expense not likely to be justified by results, but I have sent a copy of the question to the Agent, East Indian Railway, for information and such action as he may consider necessary as the matters referred to are entirely within his competence.

RECOVERY OF EXCESS PAYMENTS FROM CERTAIN DRIVERS ON THE EAST INDIAN RAILWAY.

410. **Mr. Anugrah Narayan Sinha:** (a) Are Government aware that a large number of drivers and other staff throughout the East Indian Railway were cut down as a measure of economy in 1931 with definite assurances that they would be re-promoted to their original positions on return of better times and would be allowed full benefits for the intervening periods?

(b) Is it a fact that the said persons were re-promoted early in 1934 strictly in accordance with the assurances held out to them, but on the Accounts Department having taken an exception under Fundamental Rule 26, the men concerned were subsequently again cut down without any previous intimation to them?

(c) Is it a fact that the alleged excess payments were recovered from the men so cut down again?

(d) Are Government aware that men in the various divisions and stations over the East Indian Railway were not uniformly treated in this respect, but at some places the employees were re-cut down whereas at others they continued drawing their original rates of pay and had not to refund anything?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (d). I presume the Honourable Member is referring to certain members of the running staff who were demoted in 1931, as a measure of economy due to slack traffic. If so, I would invite his attention to the reply laid on the table of the House on the 2nd September, 1935, to Mr. M. L. Saksena's question No. 395, asked on the 21st February, 1935. I have, however, sent a copy of the question to the Agent, East Indian Railway, for information and such action as he may consider necessary.

NON-PAYMENT OF GRATUITY TO THE RETIRED EMPLOYEES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

411. **Mr. Anugrah Narayan Sinha:** (a) Are Government aware that there exists throughout the East Indian Railway a very acute grievance to the effect that a recovery once made, though erroneously, and short payments made erroneously are seldom refunded without much loss of time and considerable delay?

(b) Are Government aware that there are a large number of employees in the Moradabad Division of the East Indian Railway, who had retired on attaining the age-limit or under medical grounds and have not been paid their gratuity although they completed 15 years' satisfactory service?

(c) Are Government aware that there are some drivers and other staff in the Moradabad Division who complained that they were paid short their gratuity and they might therefore be furnished details, but their cases have not been given consideration?

(d) If the replies to the above parts be in the negative, do Government propose to make necessary enquiries and take such action as would secure quicker and correct payments, and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

OVERLOOKING OF CLAIMS OF THE OLD OUDH AND ROHILKUND RAILWAY STAFF.

412. **Mr. Anugrah Narayan Sinha:** (a) Will Government be pleased to call for a statement showing the number of Indians and non-Indian staff belonging originally to the late Oudh and Rohilkhand Railway, in the Loco., Traffic and Engineering Department who have been promoted since the amalgamation of the Oudh and Rohilkhand Railway with the East Indian Railway, and taking over of the latter by the State, to supervisory grades as compared to the employees belonging originally to the East Indian Railway similarly promoted?

(b) Are Government aware that the posts of Assistant Running Shed Foremen, Running Shed Foremen, Inspectors, Assistant Superintendent, Power and Superintendent, Powers, etc., falling vacant in the Oudh and Rohilkhand section of the East Indian Railway, have usually been filled in by promotion of men belonging to the East Indian Railway and that the claims of the old Oudh and Rohilkhand Railway men, both Indians and non-Indians, have almost on every occasion been ignored?

(c) Will Government be pleased to justify the difference in the comparative statement called for in part (a) of this question and state full reasons why the claims of the old Oudh and Rohilkhand Railway staff have been overlooked in comparison to those of the East Indian Railway men, and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: Government do not consider any useful purpose will be served by collecting the information which will involve an amount of labour and expense not commensurate with the results likely to be obtained. I have, however, sent a copy of the question to the Agent, East Indian Railway, for information and such action as he may consider necessary, as the matters referred to are entirely within his competence.

PROVISION OF CERTAIN AMENITIES IN THE QUARTERS FOR LOCO. STAFF AT MORADABAD.

413. **Mr. Anugrah Narayan Sinha:** (a) Are Government aware that new quarters provided for the Loco. staff at Moradabad in village Harthala are not properly equipped and that there are no satisfactory arrangements for light, sanitation, safety of the residents (the place is situated in almost a jungle), education of the children of the staff residing there and pucca roads with lights on either side to and from the work places of the staff concerned?

(b) Is it a fact that the staff concerned occupying the said quarters represented the matter more than once both through joint representation and by questions in the Welfare Committees, but nothing has so far been done?

(c) If the replies to the above parts be in the negative, do Government propose to call for the required data and take necessary action with a view to provide the afore-mentioned amenities of life for the staff concerned and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information but are making enquiries.

LONG DUTY HOURS OF FIRE-DROPPERS AT DEHRA DUN.

414. **Mr. Anugrah Narayan Sinha:** (a) Are Government aware that in the Moradabad Division of the East Indian Railway, the working hours regulations as adopted in the Geneva Convention are not being adhered to strictly and rigidly and that the employees continue to be put on long hours of duty without adequate allowances and rest?

(b) Is it a fact that the fire-droppers at Dehra Dun have to work continuously for twelve hours and that they are not paid any extra allowance and further that their representation on the subject could not relieve them in any way?

(c) If the replies to the above parts be in the negative, do Government propose to make necessary enquiries and state the action taken on the joint representation of the fire-droppers, Dehra Dun and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are informed that the Hours of Employment Regulations are being adhered to on the Moradabad Division and that the employees who work extra hours are paid overtime allowance if actually due and that rest is generally allowed to all employees.

(b) The reply to the first part is in the negative and to the latter part in the affirmative.

(c) Government do not consider any further enquiry is called for.

RENT-FREE ACCOMMODATION FOR CERTAIN STAFF ON THE EAST INDIAN RAILWAY.

415. Mr. Anugrah Narayan Sinha: (a) Are Government aware that the Railway Board in their memorandum issued on the occasion of the transfer of the East Indian Railway from the company management to that of the State and as published by the East Indian Railway administration in their Weekly Gazette, dated the 10th July, 1924, stated *vide* para. (d) of the said memorandum, relating to house rent that the rules in force on State Railways will apply?

(b) Is it a fact that there are a large number of such employees as were and are under the State Railway rules entitled to free of rent accommodation?

(c) Are Government aware that there are also quite a large number of men belonging to the old East Indian Railway brought on the jobs with which is attached the privilege of rent free accommodation on the State Railways?

(d) Is it a fact that the staff referred to in part (c) of this question have not so far been allowed the privilege assured to them in terms of the memorandum alluded to in part (a) of this question and, on their appeals, they continue to be told that the question was under consideration of the Railway Board?

(e) Are Government aware that it is now over ten years that the East Indian Railway company was transferred to the State?

(f) Will Government be pleased to state (i) why it is not possible to adhere to the assurance held out in the memorandum under reference and allow such of the staff of the old East Indian Railway as are entitled under the State Railway rules to rent free accommodation, (ii) why the rules said to be under consideration should not be allowed to operate with effect from the date they are gazetted, and (iii) how long it will take for the Railway Board to decide this issue finally?

(g) Do Government propose to issue orders for the strict observance in practice of the assurance held out in the memorandum in question and allow the persons concerned as are working on posts carrying the privilege under the State Railway rules of rent free accommodation with retrospective effect? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a), (e) and (f). When the East Indian Railway was taken over by Government on 1st January, 1925, the staff were informed that in the matter of house rent the rules in force on State-managed Railways would be applied but in the subsequent agreement which was executed by each employee and which forms the basis of contract between him and Government it was definitely laid down that "his pay, allowances, Provident Fund and gratuity and leave will be regulated in all respects by the rules and conditions of East Indian Railway service as they stood on 31st December, 1924, and that he shall have no right to claim by virtue of service under Government any of the benefits allowed from time to time by State Railway rules".

(b) Government are informed that certain categories of staff under the East Indian Railway Company rules might have benefited by the application of the State Railway rent rules, but in view of my reply to parts (a), (e) and (f) this question does not arise.

(c) Government are not aware that the number of the staff, taken over from the old East Indian Railway Company who occupied posts to which the privilege of rent free quarters was attached in accordance with the State Railway rent rules, is large.

(d) As regards the first part of the question I would invite the Honourable Member's attention to my reply to parts (a), (e) and (f). With regard to the latter part Government are informed that the Company's staff who occupied posts to which the privilege of rent free quarters was attached under the State Railway rent rules alone have not been allowed the privilege and they were advised in reply to their appeals that their claim was not tenable.

(g) In view of the reply given to parts (a), (e) and (f) Government do not propose to take any further action.

MUSEUMS IN INDIA.

416. Mr. C. N. Muthuranga Mudaliar: (a) Has the attention of Government been drawn to the Press interview given by Mr. S. F. Markham in Bombay, regarding the museums in India which appeared in the *Hindustan Times*, dated the 24th February, 1936?

(b) Is it a fact that the curators of most of the museums are untrained?

(c) What action do Government propose to take in this connection?

(d) Do Government propose to send these curators for training to Bombay or any efficient museum in India, or select some apprentices to be trained in Bombay?

Sir Girja Shankar Bajpai: (a)—(d). I would invite the Honourable Member's attention to the reply given by me to Mr. Satyamurti's question No. 957, on the 3rd March, 1936.

CONTRIBUTION TOWARDS SPECIAL DEFENCE MEASURES FOR ADEN.

417. Mr. C. N. Muthuranga Mudaliar: (a) Has the attention of Government been drawn to Reuter's cable, dated 22nd February, 1936, from London to the effect that among the supplementary demands laid before the House of Commons was an item of £400 contributed by the Government of India towards special defence measures for Aden?

(b) Is it not a fact that Aden is proposed to be separated from India?

(c) If so, why has the Government of India contributed any expenditure for its defence?

Sir Aubrey Metcalfe: (a) and (b). Yes.

(c) The Honourable Member is referred to the answer given by me to a similar starred question by Mr. Satyamurti, No. 1331.

APPOINTMENT OF A LIAISON OFFICER FOR GIVING FACILITIES TO A FRENCH EXPEDITION TO ATTACK KARAKORAM.

418. **Mr. C. N. Muthuranga Mudaliar:** (a) Is it a fact that the Government of India and the Government of Kashmir have accorded sanction to a French expedition to attack Karakoram?

(b) Is it a fact that Government propose to appoint a liaison officer to arrange for supply and transport facilities for the expedition?

(c) What is the cost involved in the appointment of such an officer, and what will be the cost for making other arrangements for the expedition?

(d) What advantage does the Government of India expect to derive from financing a foreign expedition, and why is the taxpayer's money being spent on it?

Sir Aubrey Metcalfe: The reply to (a) and (b) of the Honourable Member's question is in the affirmative.

(c) Any expenditure, due to this appointment, over and above the officer's leave-salary, will be borne by the Expedition.

(d) Does not arise.

ENQUIRY AGAINST THE SALT FACTORY STAFF IN MARKANAM, SOUTH ARCOT DISTRICT.

419. **Mr. C. N. Muthuranga Mudaliar:** (a) Is it a fact that the Assistant Commissioner of Salt, Central Division, Madras Presidency, instituted an enquiry against the factory staff in Markanam, South Arcot District, on the complaint of the local merchants and the licensees?

(b) Did the Departmental head take any action against the Factory Officer, Mr. Muhammad Saleh Sahib, during whose period so much trouble and agitation started, including criminal cases in courts?

(c) Is it a fact that there were complaints against this officer in all other factories where he had served?

(d) Are Government aware that criminal cases were launched against this officer in some of the places where he had served? What is the result of those cases?

(e) Will Government state how much quantity of salt was destroyed in the Markanam factory during the regime of this officer?

(f) What are the reasons for such abnormal destruction of salt in one factory?

(g) What steps do Government propose to take against this officer for destruction of salt to the detriment of the licensees?

Mr. A. H. Lloyd: The information has been called for and will be laid on the table in due course.

ISSUE OF CONCESSION TICKETS UP TO GURGAON ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

420. **Mr. Sham Lal:** Is it a fact that the Bombay, Baroda and Central India Railway (metre gauge) issues concession tickets up to Gurgaon only and not beyond that station, *i.e.*, Rewari, Hissar, Ajmer, Phulera, Jaipur, etc.? If so, why?

The Honourable Sir Muhammad Zafrullah Khan: Third class return tickets, at a fare and a half, are issued on the Delhi-Gurgaon section as also on certain other sections where circumstances have arisen necessitating the Railway Administration considering it desirable to issue such tickets, *e.g.*, on the Kot-Kapura-Muktsar section, Farukhabad—Cawnpore section, Kasganj—Muttra Section, etc.

THIRD CLASS FARE ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

421. **Mr. Sham Lal:** Is it a fact that the third class fare on the Bombay, Baroda and Central India Railway (metre gauge) is more than on other Railways? If so, why?

The Honourable Sir Muhammad Zafrullah Khan: I would refer the Honourable Member to the statement placed on the table of the House in reply to Mr. Suryya Kumar Som's question No. 1297 on the 1st April, 1935, showing the basis of third class fares on the principal Railways. As regards the second part of the question, financial and other conditions on different railways do not permit of complete uniformity in the matter of passenger fares.

THIRD CLASS FARE ON EXPRESS AND MAIL TRAINS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

422. **Mr. Sham Lal:** Is it a fact that the third class fare of Express and Mail trains on the Bombay, Baroda and Central India Railway (metre gauge) is more than ordinary train fare, *e.g.*, third class from Delhi—Rewari 0-15-0 and by Mail or Express 1-3-0?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

ABSENCE OF LADY TICKET COLLECTORS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

423. **Mr. Sham Lal:** Is it a fact that there is no lady ticket collector appointed on the Bombay, Baroda and Central India Railway? If so, why?

The Honourable Sir Muhammad Zafrullah Khan: Yes, as the administration find that they can carry on the work without employing lady ticket collectors.

PROVISION OF A TONGA STAND AND A THIRD CLASS FEMALE WAITING ROOM AT THE REWARI RAILWAY STATION.

424. **Mr. Sham Lal:** (a) Is it a fact that there is no tonga stand at the Railway Station at Rewari?

(b) Is it a fact that there is no third class *zanana* waiting room at Rewari Station?

(c) If the answer to parts (a) and (b) be in the affirmative, are Government prepared to provide a tonga stand and a third class female waiting room at Rewari Railway Station?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (c). Government have no definite information on the points raised. These matters are within the discretion of the Railway Administrations concerned, and the natural channel for bringing them to notice is through the Local Advisory Committees.

NON-ISSUE OF CONCESSION TICKETS DURING CERTAIN FAIRS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

425. **Mr. Sham Lal:** Is it a fact that no concession tickets are issued on the Bombay, Baroda and Central India Railway (metre gauge) on the occasions of Pushkar Mela, Muthra Jatra, Ajmer fair, etc., and that other Railways issue concession tickets on such occasions?

The Honourable Sir Muhammad Zafrullah Khan: The question whether concession tickets should be issued on the occasion of certain *melas* is a matter which Railway Administrations have constantly under consideration from the point of view of its possible result in the direction of increasing revenues. Government are aware that the Bombay, Baroda and Central India Railway are not now issuing concession tickets for the *melas* and fairs referred to, and they have no information as regards the practice on other railways.

DISCHARGE OF COMMERCIAL STAFF ON THE NORTH WESTERN RAILWAY.

426. **Mr. Sham Lal:** (a) With reference to the answer to starred question No. 28 of the 2nd September, 1935, regarding the discharge of commercial staff on the North Western Railway in 1930, will Government please state:

(i) whether the conditions explained in the reply to the above question, that the retention of the temporary staff was dependent on their successfully passing the course in question, etc., etc., are laid down in the agreement bond signed by the staff before their appointment;

(ii) whether there is any rule or regulation requiring the temporary staff to pass the refresher course; and

(iii) whether the temporary staff was informed that in case they failed to pass the refresher course examination, their services would be dispensed with?

(b) If the answers to parts (ii) and (iii) above be in the negative, do Government propose to re-instate the staff that has been discharged?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

KATCHA DRAIN DUG NEAR KAROL BAGH, DELHI.

427. **Sirdar Jogendra Singh:** (a) Are Government aware that:

(i) a *katcha* drain was dug by the orders of the Secretary, Municipal Committee, Delhi, running parallel to the East Park Road, Karol Bagh;

(ii) filthy water is allowed to rot and stagnate in this drain;

(iii) some of this water is drained off through a narrow pipe across the road and there is a stream of water rotting and stinking in the maidan; and

(iv) both the drain and the stream are a source of breeding mosquitoes and other pernicious disease germs, detrimental to the health of the inhabitants of the neighbouring houses?

(b) Will Government please state whether any action has been taken by the municipal authorities on the complaints made by the inhabitants of the neighbouring houses? If not, why not?

(c) Are Government prepared to ask the Secretary, Municipal Committee, Delhi, to explain why he has turned a lane into a dirty drain?

Sir Girja Shankar Bajpai: The information has been called for and will be furnished to the House as soon as possible.

NON-RECRUITMENT OF STAFF OF THE OFFICE OF THE CONTROLLER OF RAILWAY ACCOUNTS THROUGH THE HOME DEPARTMENT.

428. **Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Is it a fact that the clerical staff of the Railway Board is recruited through the Home Department?

(b) If the reply to part (a) above be in the affirmative, will Government please state why the staff of the Office of the Controller of Railway Accounts is not recruited through the Home Department?

(c) Has any clerk ever since the formation of the Office of the Controller of Railway Accounts, been recruited through the Public Service Commission, or the Home Department? If not, why not?

Mr. P. R. Rau: (a) The clerical staff of the Railway Board, in certain categories, are recruited through the Public Service Commission.

(b) Recruitment in the office of the Controller of Railway Accounts is made by transfer of the selected persons from the Railway Accounts Offices.

(c) No.

FIXATION OF SENIORITY OF STAFF IN THE OFFICE OF THE CONTROLLER OF RAILWAY ACCOUNTS.

429. **Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Is it a fact that length of service is regarded as a criterion for determining the relative seniority of the clerical staff in the Office of the Railway Board?

(b) If the reply to part (a) above be in the affirmative, will Government please state whether this principle is followed in fixing the seniority of the staff in the Office of Controller of Railway Accounts? If not, why not?

(c) Are the rules for the fixation of seniority of the staff of the Railway Board's Office applicable to the staff of the Office of the Controller of Railway Accounts? If not, why not?

Mr. P. R. Rau: (a) Length of service is one of the criteria in determining the relative seniority of the clerical staff in the office of the Railway Board.

(b) and (c). There is a special set of rules for (of which a copy is in the Library) determining the seniority of the non-gazetted staff employed in all Railway Accounts offices. The office of the Controller of Railway Accounts, which is not a part of the Railway Board, is governed by the rules applicable to the Railway Accounts Department as a whole.

COST OF CONSTRUCTION OF CERTAIN GOVERNMENT BUILDINGS IN DELHI AND NEW DELHI.

430. **Pandit Lakshmi Kanta Maitra:** Will Government be pleased to state the amount of money spent by them on the construction of the:

(i) Council House in New Delhi;

(ii) the Imperial Secretariat in New Delhi;

(iii) the Government House (Viceregal Lodge) in New Delhi;

(iv) building now known as the old Council House;

(v) building now known as old Secretariat; and

(vi) building now known as the old Viceregal Lodge?

The Honourable Sir Frank Noyce: The required information is as follows:

(i) Rs. 89,89,468.

(ii) Rs. 1,92,81,569.

(iii) Rs. 1,85,82,030 (including the cost of subsidiary buildings on the Estate).

(iv) Rs. 3,20,367.

(v) Rs. 10,48,415.

(vi) Rs. 14,68,265 (including the cost of subsidiary buildings on the Estate).

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 1290, asked by Pandit Nilakantha Das on the 1st April, 1935.

PURCHASES MADE ON BEHALF OF THE GOVERNMENT OF INDIA BY THE INDIAN STORES DEPARTMENT.

(a) and (b). A statement is attached giving the necessary information so far as the Railway, Defence and other important purchasing Departments are concerned.

(c) The attention of the Honourable Member is invited to the reply to part (d) of his starred question No. 522, dated the 25th February 1935, and to the supplementary questions put and answers given thereto.

(d) and (e). The Honourable Member has presumably taken his figures from page 181 of the Appropriation Accounts (Civil) for 1933-34. His attention is invited to the "Important Comments" made by the Accountant General, Central Revenues on page 191 of these Accounts. As explained there, the Indian Stores Department is a service department, although the Profit and Loss Accounts included in the Appropriation Accounts are apt to convey the impression that the Department is a commercial concern. The Profit and Loss Accounts of the Department are not prepared strictly on principles of commercial accounting. The present scale of departmental charges of 2 per cent. for the purchase and inspection of stores is not based on any scientific principle and does not represent the full value of the services rendered by the Department. In this connection, the Honourable Member is referred to paragraph 49(4) of the Final Report of the Stores, Printing and Stationery Sub-Committee of the Retrenchment Advisory Committee (1932), which explains the reasons for the so-called "deficit" of the Department and also to the discussions recorded on pages 100 to 105 of the Report of the Public Accounts Committee on the Accounts of 1933-34—Volume II—Evidence Part I. Copies of these Reports are available in the Library of the House. The proposal for the simplification of the Profit and Loss Accounts of the Indian Stores Department mentioned by the Accountant General, Central Revenues, in his "Important Comments" referred to above has since been accepted by the Government of India and has been given effect to from the year 1934-35.

(f) The stores purchased under Rules 7 and 8 of the Rules for the supply of articles for the public service are not ordinarily available in India, and have, therefore, to be obtained direct, or through the Director General, India Store Department, London. Most of these stores such as lethal stores, medical stores, mathematical and scientific instruments and accessories are excluded from the scope of the activities of the Indian Stores Department, as these are specialised articles and the Government of India consider that the expert officers concerned should dealt with them.

(g), (h) and (i). The compilation of the statistics required would involve an amount of time and labour which would be incommensurate with the value of the results. From such figures as are available, however, the value of the articles covered by Rule 8 of the Stores Purchase Rules appears to be about 17 per cent. of the total stores required by the Defence Forces.

Statement showing (1) the officers other than those in the Indian Stores Department who make purchases on behalf of Government (2) the classes of stores purchased by them and (3) the percentage of purchases made through the Indian Stores Department.

Serial No.	Designation of purchasing officers.	Class of stores purchased.	Percentage of stores purchased through I. S. D.	Remarks.
	A.—*Railway Department.*	..	22·7	This represents the percentage of purchases made by the I. S. D. on behalf of the State-managed Railways to the total purchases by those Railways during 1933-34.
1	The Controller of Stores, East Indian Railway.	Metal, rolling stock items, engineering stores and machinery.		
2	The Deputy Controller of Stores, E. I. Railway.	Do.		
3	The District Controller of Stores, E. I. Railway.	Non-stock items of stores for the Railway engineering stores, hardware and machine parts.		

Serial No.	Designation of purchasing officers.	Class of stores purchased.	Percentage of stores purchased through I. S. D.	Remarks.
	A.—*Railway Department*—contd.			
4	The Controller of Stores, Eastern Bengal Railway.	Engineering plant and bridge work. Workshop machinery and plant. Permanent way materials. Steam loco and parts. Carriage and wagon underframes and bodies. Building materials (except bricks, lime, soorkey, doors and windows). Signalling and interlocking material except standardized signalling and interlocking fittings. Leather and Indian rubber goods. Hardware or metal Furniture. Electrical stores including train lighting materials. Timber.		
5	The Chief Engineer, Eastern Bengal Railway.	Girders, structural steel works and other like materials involving manufacture which are not included in the Indian Stores Department list. Ballast and boulders. Bricks. Lime, surki and sand. Doors and windows, ballast, mats. Sheds, tanks and stagings, overbridges, gates, white fancy tiles, earthenware, pipes, etc. Flower seeds.		
6	The Chief Medical Officer, Eastern Bengal Railway.	Medical requirements.		
7	The Controller of Stores, Great Indian Peninsula Railway.	Textiles, engineering, hardware, electrical, timber, glassware, miscellaneous.		

Serial No.	Designation of purchasing officers.	Class of stores purchased.	Percentage of stores purchased through I. S. D.	Remarks.
	A.—*Railway Department*—contd.			
8	The principal Medical and Health Officer, Great Indian Peninsula Railway.	Drugs, dressings, surgical instruments and appliances locally if not available at the Medical Store Depot, Bombay, or when more suitable articles are obtainable elsewhere at the same or lower rate.		
9	The Chief Engineer and Divisional Engineers, G. I. P. Railway.	Bamboos, baskets, ballast, bricks, bullies, kankar, lime, mooram, sand, tiles, pottery etc.		
10	The Chief Engineer, Great Indian Peninsula Railway.	Indigenous timber and scantlings of indigenous timber.		
11	The Deputy Chief Engineer, Bridges, G. I. P. Railway.	Photographic films and plates, making of prints and enlargements.		
12	The Chief Mechanical Engineer, G. I. P. Railway.	Bricks, sand, khus khus and firewood.		
13	The Controller of Stores, North Western Railway.	All classes of stores *viz.* textiles, engineering, hardware, electrical, glassware, miscellaneous.		
14	The Track Supply Officer, North Western Railway.	Permanent way material.		
15	The Chief Medical and Health Officer, North Western Railway.	Medical stores.		
16	The Superintendent, of Stores, Burma Railways.	Textiles, metals, hardware, permanent way material, signal and interlocking materials, vacuum brake equipment, workshop machinery, rolling stock and component parts, electrical plant and materials, track and other tools.		
17	The Loco Superintendent, Burma Railways.	Timber and wood fuel.		
18	The Chief Engineer, Burma Railways.	Sleepers, ballast, stone, bricks, structural material.		
19	The Traffic Manager, Burma Railways.	Guards' watches.		

Serial No.	Designation of purchasing officers.	Class of stores purchased.	Percentage of stores purchased through I. S. D.	Remarks.
	A.—*Railway Department*—concld.			
20	The Chief Medical Officer, Burma Railways.	Drugs and Medical stores.		
	B.—*Defence Department.*			
1	The Contracts Directorate, Army Headquarters.	Food stuffs.	15·65	This represents the percentage of purchases made through the I. S. D. on behalf of Defence Department to the total purchases made by that Department in India and England.
		Equipment of a military nature for the Army and Royal Air Force including harness, saddlery, scientific instruments, tools, etc.		
		Barrack and hospital stores including paints and varnishes.		
		Mechanical transport stores including petrol, oil and lubricants.		
2	The Flag Officer Commanding, Royal Indian Navy.	Coal, fuel, oil, cordage and timber.		
	C.—*Officers of other Departments of the Government of India.*			
	The Controller of Printing and Stationery, India. The Deputy Controller, Stationery.	Paper, typewriters, office machinery and accessories; and other printing and stationery stores.		All demands for stores dealt with by the I. S. D. (hardware textile, engineering and Miscellaneous including oils, paints, etc.) are placed with that Department.
	The Surveyor-General in India.	Scientific and mathematical instruments.	*Nil.*	
		Textiles including tents, warm clothing, etc.	62·5	
		Photographic stores and chemicals.	9·5	
		Printing Stores for map reproduction office.		

Serial No.	Designation of purchasing officers.	Class of stores purchased.	Percentage of stores purchased through I. S. D.	Remarks.
	Officers under the Director General, Posts and Telegraphs.			
1	The Controller of Telegraphs Stores.	Telegraph instruments of all kinds. Strictly proprietary measuring instruments of types peculiar to the P. & T. Department. Telephone instruments of all kinds including repeaters and parts thereof.	*64·4	*During 1934-35.
		Radio apparatus and equipment excluding power plant and other articles which are in common industrial use.		
2	The Superintendent of Telegraph Workshops.	Workshop Stores.		
	Commerce Department.			
	The Principal Officer, Mercantile Marine Department, Calcutta.	Ship's stores required for pilot vessels belonging to the Bengal Pilot Service.		
	Finance Department.			
1	The Master, Security Printing, India, Nasik Road.	Building materials.		
		Timber for packing cases.		
		Miscellaneous small stores, nails, screws, tools, etc.	0·3	
		Electrical goods, and motor supply stores.		
		Lubricants, paints, soaps, disinfectants, rags.		
		Coal and Coke.		
		Watermarked security papers.		

Serial No.	Designation of purchasing officers.	Class of stores purchased.	Percentage of stores purchased through I. S. D.	Remarks.
	Finance Department —contd.			
	The Master, Security Printing, India, Nasik Road—*contd.*	Unwatermarked speciality papers.		
		Other speciality papers.		
		Commercial printing and wrapping papers.		
		Inks.		
		Gum.		
		Photo-litho stores and chemicals for studio use, and metals for engraving.	0·3	
		Machinery spare parts and accessories including roller skins, rubber, blankets, flannel and mole-skin.		
2	The Mint Master, Calcutta.	Crucibles.		
		Coinage plant.		
		Gas and annealing furnaces.		
		Special lubricating oils.		
		Special refractories.		
		Fuel oil.		
		Coal and Coke.	5·54	
		Electrical Stores.		
		Kerosine oil.		
		Sulphuric acid.		
		Piping and fittings.		
		Annealing pans.		
		Light machinery oil.		
3	The Mint Master, Bombay.	Engineering.		
		Electrical.		
		Hardware.		
		Textiles.		
		Paints.		
		Oils and greases.		
		Furnace oil.		
		Coke, Steam coal and Charcoal.	3·39	
		Masonry and Building materials.		
		Timber.		
		Acid.		
		Crucibles.		
		Scales.		
		Chemicals.		
		Metals.		
		Miscellaneous.		
	Officers under the Director-General, Indian Medical Service.			
1	The Director, Central Research Institute, Kasauli.	Apparatus including glass accessories, etc.	*38·5	*Only the Director, Central Research Institute, Kasauli, makes purchases through I. S. D.
2	The Director, All-India Institute of Hygiene and Public Health, Calcutta.	Chemicals, dyes, oils, etc.		
		Sera, vaccine, etc.		

Information promised in reply to starred question No. 653, asked by Pandit Lakshmi Kanta Maitra on the 19th February, 1936.

JOURNEYMEN ON THE EASTERN BENGAL RAILWAY.

(a) Yes, these are two out of the four grades for journeymen in the old scales of pay on the Eastern Bengal Railway.

(b) Yes, due to lack of permanent vacancies in the higher grade, but four of them are at present officiating in that grade in temporary vacancies.

(c) Yes. It is both an efficiency and a vacancy bar.

(d) Fifteen posts under the Deputy Chief Mechanical Engineer, Electrical, and five under Works Managers, Locomotive Shops, Kanchrapara and Saidpur. All of them are filled up at present except one post under the Works Managers which fell vacant on the 17th January, 1936, and the question of filling it is under consideration.

(e) Government have no information.

(f) No.

(g) Does not arise.

(h) Technically trained apprentices can rise to the maximum of the grade provided their work is satisfactory.

(i) Promotion of a journeyman to a higher grade on the Eastern Bengal Railway depends both on the man's efficiency and also on the existence of a vacancy in the higher grade.

Information promised in reply to starred question No. 896, asked by Mr. K. L. Gauba on the 27th February, 1936.

SCHEME OF THE KING GEORGE'S DOCKS.

(a) (i) Eleven.

(ii) Rs. 9.39 crores (exclusive of interest charges).

(iii) Seven. Two of which were not included in the original scheme.

(b) Yes.

(c) No. The revised estimates of the scheme were sanctioned by the Government of Bengal after obtaining a full explanation of the reasons for the excess expenditure.

(d) The actual expenditure of Rs. 9,29,62,794 (including interest) has exceeded the original estimate of Rs. 7,63,95,000 by Rs. 1,65,67,794.

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS COMMITTEE.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that up to 12 Noon on Wednesday, the 18th March, 1936, the time fixed for receiving nominations for the Committee on Public Accounts five nominations have been received, out of which one candidate has since withdrawn his candidature. As the number of remaining candidates is equal to the number of vacancies I declare the following to be duly elected to the Committee, namely:—

(1) Captain Sardar Sher Muhammad Khan,

(2) Mr. S. Satyamurti,

(3) Sir Muhammad Yakub, and

(4) Bhai Parma Nand.

THE CODE OF CIVIL PROCEDURE (SECOND AMENDMENT) BILL.

Amendment of Section 60.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Henry Craik (Home Member): Sir, I present the report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1908, for certain purposes (*Amendment of section 60*).

THE INDIAN FINANCE BILL—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now take up the Indian Finance Bill, clause by clause.

12 NOON.

The question is:

"That clause 2 stand part of the Bill."

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, may I make a submission? We want to move either amendment No. 12 standing in the name of Seth Govind Das, or No. 23 standing in the name of Pandit Nilakantha Das, as both of them are practically identical. As Seth Govind Das is absent today owing to a domestic calamity, will you be good enough to permit Pandit Nilakantha Das to move No. 12?

Mr. President (The Honourable Sir Abdur Rahim): Pandit Nilakantha Das can move No. 23.

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): Sir, with regard to amendment No. 2 which stands in my name, may I crave your permission for one minute to make a statement?

Mr. President (The Honourable Sir Abdur Rahim): That is about a Select Committee; that stage is over now.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, I beg to move:

"That to clause 2 of the Bill, the following be added at the end:

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if with effect from the 1st day of April, 1936, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

The Salt Act, section 7, sub-section (*a*), provides that the Governor General may impose a duty, and, under sub-section (*b*) of section 7 of the Salt Act, he can also reduce or remit any duty so imposed. What I mean in this amendment is that the duty will be levied and that duty will, under sub-section (*b*), be remitted by the Governor General. The effect of it will be that there may remain some import duty on salt at least in some parts of British India. All import duties will not go,—they will remain specially in Burma and Aden. Whatever that may be, my amendment is to abolish practically all duty on salt in India proper. Yesterday, the Honourable the Finance Member, in the course of his speech, said

that the salt duty is a tax paid entirely and directly to the Government treasury. These nine crores the people pay to Government and get adequate relief in State service, whereas, in textiles and sugar alone, they pay 34 crores out of which only seven crores go to the Government treasury. In any case, there has been always the principle that the proceeds of any tax shall be divided between industrialists and the Government, and this protection, if not granted to any item of industry, I do not know if it will suit Government to accept it. But if this salt tax is abolished, industrialists alone may get much advantage, for the salt industry will grow. Moreover, as to this tax and the incidence of it on the poor people, it has been said year after year in this House that salt tax means practically a deterioration in the health of our people, of our cattle, of our plants. I would not expatiate on this point; I simply put it that this duty will not only benefit the poor, but, as I have indicated the salt industry will grow in this country if salt is made free and many of the unemployed at this present juncture will get employment. With these few words, I move my amendment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That to clause 2 of the Bill, the following be added at the end:

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if with effect from the 1st day of April, 1936, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

Dr. Bhagavan Das (Cities of the United Provinces: Non-Muhammadan Urban): Sir, any arguments that may be advanced by this side of the House are not likely to carry conviction to the Official Benches. But a few facts and figures may be mentioned for the consideration of the non-official Benches. From the budget I gather that Government propose to draw Rs. 8,75 lakhs by the salt tax from a population of about 270 millions, *i.e.*, 27 crores. This gives us an average of between five and six annas per year per person. The Government's own Banking Enquiry Committee, in their report which was published a few years ago, said that "the average income per head of the agricultural population was about Rs. 42 per year or seven pice per day". That a person whose average income is seven pice per day should have to pay out of that income six annas a year, is, to say the least, cruel. We have to remember that salt is the only seasoning, is the only condiment, for the dry bread or *sattoo* or parched gram of perhaps 150 millions out of the 270 millions of our people, and for them to be deprived of this is not fair. We have also to remember that the poor man, because of this fact, namely, that salt is the only seasoning for his dry bread, has to consume much more salt than the rich man. And he needs salt for his cattle, besides. For the rich man also, to have to pay only six annas or even less a year on account of salt out of his income of anything from Rs. 70 to Rs. 700 per day, as against the seven pice per day of the poor man, is indeed sinful.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Why don't you divide the six annas to ascertain the burden per day?

Dr. Bhagavan Das: Pandit Nilakantha Das has already pointed out that a great deal of employment for the unemployed hours of the village folk has been taken away from them by the Salt Department. There is

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the additional fact that a large amount of barren land which is saline—and because of the fact of being saline is left uncultivated—is also not being utilised, while a lot of home industry has been abolished by the salt tax, which could and formerly did very usefully fill up the unfilled hours of the neighbouring population. The ever-recurring and right question from the Official Benches will probably be "How to meet the deficit if we remit the salt duty?" The equally ever-recurring and more right reply must be: "Plan the economic and industrial life of the country systematically, reduce the at present excessive distance between the extremes of the highest and lowest public salaries and also reduce the at present excessive distance between the extremes of the highest and lowest private incomes". The time for muddling along anyhow, for just getting along from day to day and saying: "Enough for the day is the evil thereof", has gone by. Without comprehensive planning, a budget which will be really helpful to the people is not possible.

These are the few facts I have to put before the House for its consideration before the matter goes to the vote.

Mr. Sham Lal (Ambala Division: Non-Muhammadan): Sir, the salt tax is the greatest calamity in certain areas. It is not a question of finance, but a question of living for some people. If Honourable Members were to visit a part of Gurgaon district and a part of Rohtak district, they would find how this salt tax has ruined certain villages. Nature has got its own way of distributing the advantages. In a part of the Gurgaon district which is the area round Farrukhnagar, salt was the only industry and the only means of living for the people. They used to supply salt to the area round Delhi—an area of nearly 100 miles. A railway was constructed for carrying salt, and Farrukhnagar was a very famous town. The villages round about this town also used to live upon salt. It does not require much effort to manufacture salt, you have only to draw water from the well and dry it. In the area in question, no wheat crops, no gram crops and no rice crops are grown. You cannot grow anything. After the imposition of the salt tax, the town of Farrukhnagar has become depopulated, and the villages have been ruined, because salt was the only means of their livelihood.

Now, you might say that a reduction of this tax would reduce your revenue, but I think Government have no right to deprive the villagers of a certain area of their only means of livelihood. You cannot grow wheat, you cannot grow rice and you cannot grow anything else, and your lands are lying uncultivated—still you have got to live. The result is that people are dying of starvation, and people are leaving villages. If you abolish the tax altogether, the amount of money that is paid in taxation in that part of the area is saved to the people. We have a reduced rate in the case of saltpetre. The salt manufactured in the Gurgaon district is quite fit for the use of animals, for tanning leather and various other purposes, and if the tax is reduced, I think it would give to the people in that area a means of livelihood. The question is not one of increasing revenue to the Government of India; I submit that the Government of India cannot deprive a certain area of the natural conditions it has got. Suppose that in England where you have the coal and iron industries, a high tax were imposed on them and the English people were to be deprived of their coal and iron, what would be the result? One cannot say: "Well, the revenue must come from some source". It is a question of natural advantages. In a particular area, the question is upon what the people can live. If the people in that area can live only upon the salt industry, I think Government have no right to deprive the people of the natural advantages they have got. If they so deprive the people of these natural advantages, they must provide some other means of living for them and not leave them to their own fate and allow them to leave the villages. In the town of Farrukhnagar, there was a population of 15,000; now, on account of the destruction of the salt industry, the population has come down to 5,000. In villages, where there used to be a population of 3,000 and 4,000, the population has come down to 300 and 400. When we went to some of those villages, the villagers complained: "Here we have our silver mines in the land, but we are starving on account of the salt tax. This is the only industry which we have; we can manufacture salt, we can sell it, we can give it to our animals, we can consume it, but we cannot do anything, because the tax is very high". Therefore, my submission is that, in cases, where it is the only means of livelihood, we ought to see that the question of revenue does not come in: we should provide the means of livelihood, and I think it is quite iniquitous and very unjust to deprive the people of the means of their livelihood. I, therefore, support this amendment.

Mr. Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan): Sir, I think this Salt Act has created havoc throughout the country. In our part of the country there was a class of people known as Lunias. After the passing of this Act, we hear no more of this class: they are no more: they migrated from one place to another in search of employment and it is difficult to say what has become of them now. This Salt Act concerns the principles of taxation. I think the Honourable the Finance Member, the *Vidhata* of the budget and of this Finance Bill, is expected to know something if not all regarding the principles of taxation. In every country of the world, direct taxation is preferred to indirect taxation. Even in his own country, 60 per cent. of the revenue is derived from direct taxation; but in this country about 60 per cent. of the revenue is derived by indirect taxation. Indirect taxation is discouraged in every part of the world, simply because they take money from the people who do not know what they are paying. Indirect taxation can very well be called a kind of theft. You take away from the people who do not know what you are taking from them. Just now, as Dr. Bhagavan Das has said, this salt tax falls to the extent of six annas per head of the population. In a small family consisting of six or five persons in this way they realise at least one or two rupees per family. The other day, the Honourable the Finance Member said, describing the condition of the country, that in former times famine continued for about 12 years, whereas there is no famine now. This reminds me of a story current in the country. There was a Brahmin girl who fell in love with a Chamar. The Brahmin girl went to the house of the Chamar. In the beginning, she used to smell very bad things all round and she was very much confused. After some time, her nose became accustomed to the smell. After some time, more she began to say: "Look here; when I came to your place, there was bad smell all round, but everything is altered now." Then the Chamar said: "No, no: it is not a fact that the smells have gone out of the place, but the thing is that your nose has become vitiated and cannot feel the bad smell." Similarly, the thing now is that there is famine all along. So nobody feels the

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pangs of famine now as used to be the case formerly. As I have said and I think the whole House will agree with me that the salt tax is a kind of theft, and anybody supporting this Bill will be charged with aiding that theft. I can go so far as to say that, sometimes, indirect tax is unavoidable. There are circumstances in which Government will have to impose indirect taxes; but economists agree that it is the luxuries of the people which ought to be taxed and not the necessities. But this Government cannot distinguish what is the luxury of the people and what are their necessities: they tax anything and everything. This reminds me of a saying going on in the villages. It is this:

"Andher Nagari, chaupat Raja, Take ser Bhajee, Take ser Khaja."

It means:

"Chaotic town, idiot King, two pice per seer vegetables, two pice per seer sweets."

(Laughter.)

This is the attitude of the Government exactly. They will go on taxing anything and everything, no matter whether it is a necessary of life or a luxury. The Honourable the Finance Member was proud enough to say that the country is in a very happy state these days; I invite him to my area; let him come and see. I tell him, in my part of the country, there are people who do not know what is corn for full nine months in a year. I mean the Chota-Nagpur and Sontha] Parganas: for nine months in the year the people live on roots, fruits and leaves from jungles: they do not know what corn is; and still the Honourable the Finance Member comes forward on behalf of this Satanic Government and says they are happy. With these words, I wish that every Member of the House, who is not going to support and aid in this crime of theft, will support this motion.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, in rising to support this amendment, I wish to state in the very beginning that I support this amendment, not because I am opposed to taxation in every one of its forms but because I am anxious that if taxes are to be paid at all they should be paid to a Government which takes sufficient care to cut down its own expenditure upon the services, which tries to spend the maximum amount of public revenues upon public utility services and which is anxious to do all that lies in its power to develop the productive capacity and ability of the people; and also that, if taxes are to be paid, they should be paid by different classes of people in such a manner that those who can pay are made to pay to the extent that they can pay, and those who cannot pay are not made to pay even to the slightest extent possible. I find that neither the Government nor the public in this country have yet realised the necessity for helping the masses in this country to develop their own productive capacity and for helping the poor of this country to escape from the necessity of having to pay unnecessary, unfair and unduly high taxation. It is most unfortunate that whenever any surplus has been found by the Government of India in their budgets, they have tried to give tax remission only to that class of people who have been very well organised, who have become powerful in the press and who have also become too powerful even for this Government of India, which has to its credit an unenviable record of being immune to public opinion in this country and to all criticism in the press and on the platform. The remission has to be given whenever there is a surplus in the financial position of the Government of India, but, in so doing, it is the Government of India's duty, as well as of the public, to see that only those who really deserve tax remission are given such remissions. It is true that unfortunately, not only in India, but also in the rest of the world, the poor and the downtrodden, who really are not capable of bearing any further taxation at all, are today being over-burdened with taxation, and, therefore, it is necessary that they should be given the benefit of any surplus in the budget of this Government or in the budgets of any Provincial Governments. But, unfortunately, neither the Provincial Governments nor the Central Government have tried to act up to this and to give the benefit of the surplus budget to the poor. On the other hand, they have been busy in piling up, year after year, the burdens of taxation that are inflicted upon the poor masses.

To support my point, Sir, I would only draw the attention of this House to the fact that in customs, in salt and in every direction the burden on the poor has been increased since 1913. The revenue from the salt tax itself has increased from six crores 34 lakhs in 1921-22, that is, two years after the great war had ended, to eight crores 75 lakhs by this budget. So it is two crores 59 lakhs more than what they had to pay before the war. It was then contended by Sir Malcolm Hailey, one of the predecessors of the present Finance Member, that, during war time, wages of the workers had gone up in towns as well as in agricultural areas, and, therefore, they were in a better position to bear this tax, which, after all, came to six annas per head per annum. Even that plea cannot be brought forward today, either by the Finance Member or his Secretary, because, Sir, even according to the Budget Officer, the index figures of prices of commodities are lower than what they were in 1913. What justification can there be for this additional levy of nearly two crores 50 lakhs upon the poor people; and, if we come to examine the correctness of their estimate that on every poor man the *per capita* incidence of this particular tax is only six annas per annum, we realise that they are awfully mistaken. Sir, by levying this particular salt tax, we prohibit, as my friend, Dr. Bhagavan Das, has already stated, the ordinary people, the peasants and workers, in all those areas of the country where you have got lands, unfit for cultivation, but fit for the manufacture of salt, from manufacturing salt and thus eking out their livelihood. We also prevent large numbers of peasants from trying to supplement their incomes by manufacturing salt either on saline lands or on the sea-shore. It is these people who will be directly benefited if we abolish the salt tax. Their numbers will certainly be very much more than one million people as was mentioned by the Finance Member yesterday, who can be expected to derive additional employment if the industrialisation of this country were to be promoted by prohibiting all imports into this country and by giving every possible assistance as was mentioned by the Deputy Leader and also by the Deputy Leader of the Independent Party. And, is it not fair that the Government of India should try to attempt to provide a chance for one million and more people to get additional employment not by prohibiting all imports into this country, not by spending crores of rupees, not only from provincial coffers but also from the Central coffers, in order to stimulate the industrial development of the country, but by trying to remit the salt tax. It may be argued how then will the Central Government be able to make good this particular

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loss of eight crores and 75 lakhs? Sir, I am quite prepared to show the way. Yes, some of my friends would at once think that I would suggest an income-tax upon people who get incomes from their lands.

An Honourable Member: Why not?

Prof. N. G. Ranga: I would certainly be justified in suggesting a thing like that. But, unfortunately, it is no use making a suggestion like that in this House, because our Finance Member has absolutely no regard at all for history, except of course for making absurd quotations here from a book, even the name of which he could not mention here . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the salt tax, the discussion must be relevant to the clause.

Prof. N. G. Ranga: Sir, I shall try to be as relevant as possible. I am not quite so well prepared to make that suggestion of levying an income-tax upon people who derive their incomes from lands, I mean zemindars and other people of this country, as an alternative scheme of taxation for the abolition of salt tax. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the salt tax. He cannot discuss any alternative scheme of taxation. He should confine himself to the salt tax.

Prof. N. G. Ranga: I am only taking it as a supposition. I am not prepared to make that suggestion, because, Sir, the Joint Parliamentary Committee has stated that it is for the future Provincial Governments to levy it, wherever the Provincial Legislatures think it possible and necessary. But incidentally I may be permitted to state that as much as 150 crores are being paid by the peasants of this country, by nearly one half of the peasantry of this country, to all these intermediaries between the State on the one side and themselves on the other. These intermediaries did come into existence because of the fiat of the British Government, and these people flourish even today in spite of the economic depression, because of the long arm of this Government standing behind them and protecting them and even encouraging them to enhance the rents and rates charging them most inhuman and unconscionable rents . . . .

Mr. President (The Honourable Sir Abdur Rahim): Again, the Chair would ask the Honourable Member to confine himself to the clause.

Prof. N. G. Ranga: All right, Sir. In asking for the remission of salt tax, I wish to suggest that the Government should be quite prepared to follow up the recommendations made by the Taxation Inquiry Committee that certain rates, at certain grades of pay, should be raised, and although that Report was submitted to them more than ten years ago, Government, even today, do not propose to charge at least the same rates as were proposed ten years ago, with the result . . . .

Mr. President (The Honourable Sir Abdur Rahim): Is it on salt tax?

Prof. N. G. Ranga: Not salt tax.

Mr. President (The Honourable Sir Abdur Rahim): Then, the Honourable Member must confine himself to salt tax.

Prof. N. G. Ranga: May I ask for some guidance and information from you? Am I prohibited by the Standing Orders from making suggestions in the course of my speech for the repeal of the salt tax, to the Government of India . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member will be quite in order so long as he asks for the repeal of the salt tax, but he cannot go into any general scheme of taxation.

Prof. N. G. Ranga: I think it is my duty to this House when I propose the abolition of the salt tax that I should be prepared to show an alternative scheme of taxation in order to strengthen me in my argument.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot wander into all sorts of schemes of taxation.

Prof. N. G. Ranga: I am not wandering into all sorts of schemes of taxation, but I am pitching my attention on one particular point, and I ask the House to concentrate its attention upon another alternative scheme of taxation, and it is only one. In the last ten years, the value of commodities raised by the peasants has gone down by nearly 50 per cent. Because of the fall in prices, the value of agricultural produce raised by the peasants has gone down, as I have said, by 50 per cent., and yet the salt tax goes on rising. The revenue from it goes on rising. Soon after the War, it was maintained that because it was an emergent necessity for the Government of India to make good their deficit of nearly 29 crores, the peasants and workers were asked to bear their share of taxation, and, therefore, it was doubled. But what plea of emergency can the Honourable the Finance Member bring forward in order to ask this House to sanction a revenue of no less than Rs. 876 lakhs from salt alone? If this were the only tax that the peasants and workers were obliged to pay, then it might be contended, with some plausibility, by the Treasury Bench that, after all, it was not very much, that it was only six annas per head. But there is the land revenue assessment that is raised by all the Provincial Governments, and it alone comes to Rs. 1-7-0 per head per annum all over the country. Then there is the enormous income that is being derived in increasing dimensions by Local Governments from Stamps.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is really making a budget speech.

Prof. N. G. Ranga: If it is your intention that I should not make any speech, I am prepared to sit down.

Mr. President (The Honourable Sir Abdur Rahim): That is not the Chair's intention, but the Honourable Member must be relevant.

Prof. N. G. Ranga: I am trying to be as relevant as it is possible for me.

Mr. President (The Honourable Sir Abdur Rahim): The Chair wants the Honourable Member to be actually relevant.

Prof. N. G. Ranga: Actually revelant I thought I was, but if I am not, I shall try to comply with your wishes.

As much as Rs. 1-7-0 is being raised in the shape of land revenue, and nearly half as much is being raised in the shape of Stamps, and a similar amount in the shape of tax on toddy and other drinks. So, it comes to Rs. 3-9-0, *plus* six annas on salt alone. Even yesterday, the Honourable the Finance Member had estimated the whole national income of this country at Rs. 1,800 crores . . .

The Honourable Sir James Grigg (Finance Member): 1,600 crores.

Prof. N. G. Ranga: That serves my purpose. I do not know how he has arrived at that figure, I am sure he would not be able to substantiate it because he has no use for statistics, because he has no statistical department in this country and because . . .

Mr. President (The Honourable Sir Abdur Rahim): The House stands adjourned till a quarter past two.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Prof. N. G. Ranga: I was saying before the House got up for Lunch that the masses of this country are being over-burdened by one tax or the other and that on the head of land revenue alone they were paying Rs. 1-7-0, that in the form of excise duties Rs. 1-7-0 per head and then on stamps 11 annas and on customs Rs. 1-8-0, totalling Rs. 5-1-0 per head per annum. What they have to pay in the form of salt tax is in addition to the Rs. 5-1-0 per head per annum. We have to consider this question of the abolition of the salt tax only after keeping in mind this particular great contribution that they are making towards the maintenance of the Government of this country, either in the Provinces or in the Centre. The Honourable the Finance Member estimated the total annual national income of this country as 1600 crores of rupees. That gives us nearly Rs. 44-8-0 per head per annum. As I have said, I do not know how he has arrived at this figure. I remember having come across another estimate made by an eminent economist and that was put at 1200 crores of rupees. Even if we were to accept the Honourable the Finance Member's estimate of 1600 crores of rupees, high though it is in view of the enormous fall in prices during the last five years, we get only Rs. 44-8 per head per annum for the population of the whole of this country.

But, if on the other hand we were to calculate it only for the British Indians, it is, I admit, a little more. It may come up to Rs. 50, but this salt tax is being levied not only upon the urban classes but also upon the rural classes. The rural masses alone number 75 per cent. of the total population of this country and their *per capita* income is very much lower indeed. I made an estimate only recently, with the aid of the statistics published from time to time by the Government of India, and I have

arrived at the figure of Rs. 25 per head per annum for the agricultural classes, peasants and workers taken together and the other artisans dependent upon them. It is out of this Rs. 25 per annum per head that an agriculturist has to pay this Rs. 5-1-0 towards some of the taxes of the State.

In addition to the taxes that I have already enumerated, there are very many taxes, such as the cesses levied by the Local Boards, the various cesses that are being levied from time to time by the village panchayats that are being established in various parts of India and the terminal taxes, not to speak of the professional tax and various other taxes raised in the municipal areas. So, more than 20 per cent. of the total annual income of an agriculturist is being absorbed towards taxation, even according to the statistics of the Government of India. How many of the urban classes are made to pay just as much from out of their total gross income towards the maintenance of the State? Very few indeed. It is because the Taxation Committee has realised this anomaly it has suggested that other taxes should be found by the Government of India and other Provincial Governments in order to minimize, to some extent, this unequal distribution of tax burden between the rich on the one side and the poor on the other, but no action has been taken on those recommendations although it is more than ten years. It is true that some of the Provincial Governments have accepted the recommendation of the Taxation Committee to levy a tobacco duty but the Central Government has not done anything even in regard to the salt duty. Sir, the Taxation Committee has suggested that tax relief should be given to the poor and yet no attempt has been made by the Government of India. Last budget time and this budget time, when the Government of India had an opportunity of giving tax relief to some classes of people or other, they preferred to give that tax relief to those who pay income-tax and super-tax on the specious plea that there was a pledge given by Sir George Schuster, the predecessor of our present Finance Member. Sir, what was that pledge? It was a conditional pledge that was given. When he was imposing emergency taxation, direct and indirect, on the rich and on the poor; he thought it fit to give a conditional pledge only for the benefit of the rich and not for the benefit of the poor. Then the Honourable the Finance Member had to admit the other day that that pledge really did not directly cover the surcharges that were then levied upon kerosene, upon salt and other taxes. It was only implied in the sense that it was called a surcharge, it was called an emergency taxation. That clearly shows how partial this Government has always been towards the rich. And the pledge, because it was a partial, one sided and improper one, should not be considered a sacred pledge at all and when this Government is busy in disregarding so many more justifiable and sacred pledges I really cannot understand why the Honourable the Finance Member, who has not displayed very much of respect towards the proposals of his predecessors, should be so very respectful towards this particular partial and one sided and unjust pledge given by his predecessor. This relief to those who have to pay direct taxes, during these two years, increases the inequality that has always existed in the distribution of the burden of taxation between the rich and the poor, and yet I do not know why he was able to pride himself upon the fact that he was trying to help the poor and to help especially the agriculturists and the rural masses.

Then, Sir, we are met with another argument from the Treasury Benches, that, after all, it is only six annas. If it is not six annas, it may be calculated at 4½ annas and after all 4½ annas is not much. Why bother about

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it? If only the Honourable the Finance Member or his Secretary, Mr. Lloyd, would care to accompany me to those innumerable villages that I am busy visiting during the recess, I would be able to show to them how valuable this 4½ annas is and can be in the family economy of any poor peasant or artisan. I can take him to any shop where there are men and women giving out small quantities of grain, it may be one third of a pice, or 1/12th of an anna to a merchant and bargaining for the supply of five or six commodities—a little bit of cocoanut oil, a little bit of castor oil, one or two drops of gingelly oil and just a little of turmeric, and, I dare say, a little bit of sweets for their children and then begin to haggle with the merchant for a little more. You may call it *dasturi* or tip or anything you may like. It is known as *kosaru* in my language. That is always being asked for and over that there are always many pleasant and unpleasant jokes at each other's expense. It is in that way that they make their purchases. I submitted a report once to the Government of Madras on the manner in which poor people make their purchases in the various shandies or markets that are held in various parts of Madras and Government were surprised, out of their wits, how this sort of business could be carried on. I had to submit that report, because I was then appointed a special honorary officer for making an economic survey. I know that the Government of India have no use for economic surveys. Experts are of no use. Statistics are of no use. Even for the Madras Government it came to be of no use, because they gave up any further surveys into the economic conditions of the peasants, when they saw the results of this survey to be so heart-rending and inconvenient. Such are the people from whom Government collects this Rs. 5 per annum per head out of the Rs. 25 per head that they earn. Is that a fair thing to do?

Then the Honourable the Finance Member might say to this House: 'Here is an Honourable Member who makes an irresponsible suggestion and who asks the Government of India to lose as much as eight crores and 75 lakhs per annum. How am I to balance my budgets? Wherefrom am I to get this revenue? If I cannot get this revenue my credit would go down and the Government's liability to pay interest periodically on their loans would become too burdensome'. He would say that it would be impossible for him to get any more money from Opium on account of the convention passed at the League of Nations. It would be impossible for him to raise any more money on land revenue because the centrally administered areas are already overburdened. Anyhow, I hope he would not think of raising land revenue in the centrally administered areas. Although the Honourable the Home Member was not prepared to accept the results published by the District Congress Committee of Delhi in regard to conditions in the rural areas, it is true that land revenue burden, even in the centrally administered areas, is too high, and, therefore, cannot be increased. Then what is the other revenue that we can think of. He will turn round and tell me that I am speaking on behalf of consumers, and, therefore, I cannot ask him to raise the customs duty any longer. Then what is that source of income from which the Government of India can derive their income in order to make up this loss? It must be a source of revenue which will go on bringing in more and more money as the needs of the State increase, and what is that source of revenue? Now, Sir, I don't think there will be any Honourable Member in this House who will suggest that all the taxes should be paid by the poor alone or by one particular section of the people alone. If taxes are to be paid, they ought to be paid by all those who can bear them. I have looked into the past proceedings of the budget Sessions in this House. Everybody has said that certainly the poor people alone should not be made to pay the tax towards the maintenance of the State and that the rich alone should pay. That is my contention. Of course, I may be met with the argument raised by my Honourable friend, the Baronet from Bombay, and others, that the rich people have been made to pay very much more. I do not wish to go into detail. I wish only to state one particular fact for your consideration. If you look into the reports published on the collection of income-tax by the Government of India, it would be possible for you to find out that the number of people who are able to pay you income-tax has increased by leaps and bounds during recent years and especially the number of people paying income-tax on an annual income of more than Rs. 2,000 has increased to an enormous extent, by more than 60 per cent. since 1921. That naturally raises the question that if the ability of these people to pay income-tax has increased, in the last fourteen or fifteen years, how is it that they are paying less and less? What about the others? As I have already told you, Sir, at the beginning of my speech, the incomes of the poor peoples have gone down by fifty per cent. and even more in the last few years. And in spite of what my Honourable friend, Mr. Sanjiva Row, has had to say the other day, it is a fact, it is an unvarnished fact that the income of the poor people in this country, the income of the peasants in this country, has been going down and is going down even today. It may be due to the depression, it may be due to the incapacity of this Government to do anything, it may be due to the unwillingness of this Government to do anything to improve their productive capacity, and it is such people who are made to pay more and more,—from the Rs. 6,34 lakhs in 1921-22 they are asked to pay Rs. 8,75,00,000 now. Is that fair, I ask? Then if the Honourable the Finance Member thinks he cannot very well touch these rich men because they are so very powerful, and there are rich people in every party, I would only ask him why this Government, which has been powerful enough to put two lakhs of us in jail, powerful enough to keep on the Statute-book so many of these unwanted laws, powerful enough to keep thousands and thousands of people in jail without any trial, powerful enough to try to destroy our Congress and then claim, "Oh, yes, the Congress is all gone, except for these Gandhi caps in this House" —why should this Government be so very much afraid of these rich people? If it is not afraid of all the millions of people in this country who call themselves peasants and workers and who constitute by far the bulk of the population of this vast country, why should it be afraid of these rich people? Sir, it is all because it is itself in alliance with the rich people. (Hear, hear.) Sir, it is all very well for the Honourable the Finance Member to say that the Congress is generally in alliance with high finance. I say, no, Sir: it is not the Congress which is in alliance, but on the contrary high finance fights shy of the Congress; it is high finance which has entered into an alliance with Lancashire by means of the Mody-Lees pact (Hear, hear), it is high finance which sees no prospect of being able honestly to compete with Japan, it is high finance which is prepared to welcome Lancashire goods but not the goods from Japan or the products of hand-loom weavers, and, Sir, it is high finance which is today ruling in the councils of the Governor General in Council,—and it is that high finance which I want the Honourable the Finance Member, if he really wishes to be fresh in his methods as he has been posing to be so here, to touch. Well, he does look fresh enough any way. Sir, he can

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somehow manage to raise this eight crores 75 lakhs. For this reason, Sir, from 34 crores to 54 crores, the customs revenue has risen in the last 14 years, that is an increase of 20 crores. That is just a little more than all that is being paid by the rich people in the shape of income-tax and super-tax. If the poor classes can be made to pay 54 crores in the shape of customs duties, eight crores and 75 lakhs in the shape of salt tax, I do not see any reason why the rich people should not be made to pay eight crores 75 lakhs for the relief of the poor people. That is the amount which will be involved in the abolition of this tax. But the Government is not going to do that.

I wish to place before this House one further fact that it is not only four annas six pies which an individual will be gaining by the abolition of this tax. You would be able to provide employment, voluntarily, for more than one million people in the country side. It is true that, the rich people and the urban classes may anyhow have to pay, hereafter, for the salt that they consume. Well, Sir, they can very well afford to pay it. I might be asked what about the urban working classes? We are being asked to pay these customs duties in order to help my Honourable friend, the Baronet from Bombay, and also the industrial workers in urban areas and should they not at least make this much of contribution to relieve the poor masses? If that is justifiable, then who are to be benefited directly by this? It is the rural masses and workers and peasants and there would be no less than 50 millions of people and each one of them would be gaining Rs. 1-8-0 per annum as addition to an annual income of Rs. 25. This sum of Rs. 1-8-0 is certainly a mentionable amount. After what Government take away from the annual income of Rs. 25—they take away to the extent of nearly Rs. 6—this additional sum of Rs. 1-8-0 is a considerable sum. Will not this Government be good enough to make that gift to the ordinary peasants.

I am not asking the Government to spend this money by devising ways and means by which industrialisation can be brought about in this country. I was surprised the other day when the Honourable Member for Industries and Labour got up and asked my Honourable frined, Mr. Joshi, what were his ideas of developing industry in this country? Well, Sir, it is for the Government of India to do that. It is not our business. If I were the Government of India, I would be able to produce a number of schemes from my sleeves and I would be ashamed to ask any Honourable Member of this House to produce a scheme. It is for the Government of India to produce the scheme. After 150 years of benign rule of the British Government, the Honourable the Finance Member says, there are no famines now, while there used to be famines before. I am quite prepared to believe most of the things which the Honourable the Finance Member wants us to believe. Yes, there were famines before the British Government came into this country, there was salt tax before the British Government came into this country. What is it that the British Government have done, if we are suffering today in the same way as we used to suffer before the advent of British rule? What is it that the masses have gained by British rule? Practically nothing.

An Honourable Member: There were no epidemic diseases before the advent of British rule.

Prof. N. G. Ranga: Look at any part of India you like. There is the Khulna district, there is the Gujrat where revenue officers, the *patwari* and the *chaukidar*, had to resign their jobs on account of their inability to collect taxes that are cruelly raised by Government, in spite of the raging famine for the past four or five years. The neighbouring provinces and the neighbouring districts are all suffering from famine. There is the Burdwan and several other districts in that part of the country from which the Honourable the Law Member hails and I do not know whether he is just as fond of Bengal as we are all of India. There is famine in Burdwan. There is famine in the Punjab and in the Central Provinces. Peasant marches are being organized in those parts in order to ask for tax remission. The tragic part of it is that Government are not even prepared to extend the salt concessions to those parts which are badly famine stricken. Will the Government tell me whether they have extended the free salt concessions to any place in India during the whole of last year? If that is the result of 150 years of British rule, well, I leave the Honourable the Finance Member to feel proud of it, and I can only say, "God save us from this sort of Government".

What I want is eight crores and seventy-five lakhs as tax relief. It is not a great demand. The Honourable Member gave two crores to the rich people last year and this year. He might turn round and say, "Oh! I have given one crore last year and I am giving one crore and seventy-five lakhs this year which makes a total of two crores and 75 lakhs for rural uplift. What more do you want?" He has himself stated that there is no possibility of any more grant hereafter. Well, Sir, he has given two crores and 75 lakhs in return for how much? Fifty-four crores paid in the shape of customs duties, eight crores 75 lakhs paid in the shape of salt tax. That is for the Government of India alone. What about the Provincial Governments and the millions of money that are being paid to them? Out of Rs. 25 *per capita* head of income, nearly Rs. six is paid to the Government from the ordinary agriculturist. The Honourable Member ought to realise what he has done for peasants does not go anywhere and that it is not at all enough.

Every Honourable Member of this House has already made it perfectly clear that we want the total abolition of the salt tax. (Interruption.) I know my Honourable friends are impatient about moving their own amendments on salt tax with a view to get remission. They think if we are not able to get this total abolition, let us at least get a remission of two annas or four annas or more. It may be that this question has been discussed again and again for several years past in this House as well as in its predecessors. It may be so, but I say it is on this that the British Government is going to break itself, it is on this that the people of this country have carried a national fight all along. It is for the sake of this that Mahatma Gandhi has had to march to Dandi, it is for the sake of this that people like myself have had to give up rosy chances of jobs and come down here to fight the people's cause. It was over some such thing that the French Revolution broke out and the post-war German Revolution took place. It is over such a seemingly unimportant thing that the Russian Revolution took place. I warn the Government that, if they do not abolish this salt tax, they are bargaining for a revolution. I am not so very keen whether you heed my warning or not, because you seem to be bent on bargaining for a revolution. But if you do not want revolution in this country, then make a beginning and get rid of

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eight crores and 75 lakhs. Try to make a gesture to the masses. Otherwise the masses will be perfectly justified in going about the country rising, not only against this Government, but also against all those classes who have been co-operating with this Government in order that the masses might be exploited. It is easy to say, yes, look at these people, they have gone mad. Mahatma Gandhi was once attacked as being mad. The great Wilberforce was once attacked as being mad. It serves the interests of the rich, the Anglo-Indian and the pro-Government Press to style some of us as mad people. Yes, Sir, we are mad, mad with rage, mad against injustice, mad against this Government, mad against tyranny and mad against all repressive laws. I would rather that these 365 millions of people should go so mad as to get rid of this system of Government than that we should parade ourselves as sensible people as some of my Honourable friends over there and there, and say "everything is quiet on the western front" while as a matter of fact there would be the German march into the Rhur. (Applause.)

The Honourable Sir James Grigg: In spite of the eloquent appeal to which we have just listened, I am afraid that I cannot accept his invitation to flee from the wrath that is to come, and if all this wrath is to follow the rejection by the Government of his proposal to repeal the salt duty completely, I am afraid it must come, because it is quite clear that to surrender something like eight crores of revenue on a narrowly balanced budget, which has considerable calls on it in the future, is quite impossible. I do not wish to go, in this connection, into any questions of comparative weight of taxation on different classes or even on individuals. What is quite clear is that the budget cannot at the present moment spare even a small portion of this eight crores. Sir, I oppose the amendment.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, I do not share in the anxiety to save this Government. If a revolution is to come about by the continuation of the salt tax, I think we ought to welcome it. (Laughter.) If the power of Government is going to be destroyed by their deeds in Bengal and all over India, as my Honourable friend yesterday pointed out, then I do not want to correct them. Go on with your repression, go on with your salt duty; but, Sir, that is not my object,—to save the Government. Unfortunately we are here in this Legislature, and we are circumscribed within certain limits. This is not a new question, and I do not think I need assure my Honourable friends there that my anxiety is not any the less than theirs if any real relief can be given to the poor. But the difficulty that I have always found,—I have been in this Legislature for many years, and this question has cropped up every year,—the difficulty is that if you want to abolish the salt tax as a matter of principle on any grounds,—and there are many grounds for it,—then we have got to suggest an alternative. If we on this side of the House, as the Opposition, were to examine the budget critically and carefully and put forward a definite alternative to the budget, then I can understand our pressing Government and holding to our opinions and saying that the salt duty must be abolished. But, unfortunately, we have never been able to do that and no definite scheme has ever emerged from the Opposition Bench. I do not say that

it is our obligation in the sense that we are obliged to do it; but remember the situation under which we are working; and, therefore, what we have to do is this. We have to show how we can also produce a balanced budget, and a better one than Government are doing. It may be that they may not accept it, but surely we shall then justify our position before the world and say that having shown this we are going to abolish the salt tax and let the Governor General certify it. That we have not been able to do yet. I know we cannot make a motion to appropriate revenues or the monies; that is not open to us within the four corners of the Constitution, but it is surely open to us to put forward a definite scheme and say: "Here this is what we want Government to do". If that is not taken care of in the next year, let me tell you, I shall be with the Honourable Members then and say: "Now, we have given you a chance, we will abolish the salt duty altogether and you can certify it if you like." I do not, therefore, want merely a sentimental sort of thing which you bring up and which fizzles out without clinching the thing as you should clinch it. Therefore, although I can support this amendment, I am not going, in case of a division, to walk into the Government lobby.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): But you have thrown out supplies demanded for the Defence Department, and most of it is non-votable. And that was eight crores . . . .

Mr. M. A. Jinnah: Excuse me, that was not on the financial ground.

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

That was not on the ground that we were suggesting another financial budget. That was merely, as I made it clear, a pure constitutional issue condemning the military policy of the Government.

Pandit Govind Ballabh Pant: But including extravagance.

Mr. M. A. Jinnah: I beg your pardon. The army grant was thrown out by us, not because we had no grievance with regard to that grant itself, but as a constitutional gesture. We say that the army policy of Government is so wrong that this is the only way in which we can show our disapproval. That has nothing to do with the budgetary position at all. I am now dealing with the budgetary proposals. Therefore, that is the position that I take up.

Further, I have always tried my best to understand, and I am open to conviction whether, if there is any reduction of the salt duty, it will really give any substantial relief to the poor men that we have in our minds. I really must honestly confess that I have not been satisfied that the reduction is going to give any substantial relief to the poor man. Therefore, I feel this, that neither are we going to help the poor man, nor are we in a position to suggest an alternative. And, working within the four corners of the Constitution, it will not be justifiable on my part to

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say to Government: "I have examined your budgetary proposals, and I want now to knock off eight crores or four crores, or even a crore and a half." I am not in a position to do that. At the same time, I do not subscribe to the soundness of the position of Government. And, therefore, my Party, after full consideration, have decided on this question that we cannot support the amendment, but we cannot support Government either.

Mr. M. S. Aney (Berar Representative): Sir, the speech, which my Honourable friend, Mr. Jinnah, has just made, has induced me to intervene in this debate. He has put forward two reasons for the attitude which he and his Party will take up. One is that those who have moved this cut have failed to put forward any alternative scheme for filling up the gap in the revenues which will be made by this amendment and without which he does not think it would be justifiable for us to demand a reduction of revenue to the tune of eight crores. At the same time he has told us that he does not think that the reduction of the salt duty will mean really any relief at all. I am unable to reconcile these two positions. If my Honourable friend thinks that a reduction of the salt duty will mean no relief to the poor at all, then the question of the entire abolition of the salt duty even . . .

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Mr. M. A. Jinnah: I did not say it will give entirely or no relief at all. At present I am only speaking from what I am able to understand, and I am open to conviction; but I do say that at present I am not satisfied that a reduction of the salt duty will give any substantial relief to the poor man. That is my position.

Mr. M. S. Aney: I think I precisely understood my Honourable friend to mean what he has just said, that he is not yet convinced that a reduction of the salt duty will mean any substantial relief to the poor. That is the position and I accept that position. If that is so, how would he be justified in voting for the total abolition of the salt duty if there are alternative budgetary proposals put forward by the other Party?

Mr. M. A. Jinnah: I may not; but produce a scheme first.

Mr. M. S. Aney: If even in that case he is not going to vote for the abolition of the salt duty, then the argument that is put forward has, in my opinion, no immediate value for the purpose of considering our attitude on this particular amendment at all. All that he means to say is that anybody who comes here for the sake of the abolition or a substantial reduction of any tax which Government may want to impose through their Finance Bill must necessarily have a counter scheme, so that if a tax is thrown out or reduced, there may be something else in its place which may be reasonably considered by the House. That is all what he means in the first part of his speech. It has got nothing to do with regard to the attitude to be taken up by any member of his Party on this particular motion. I only want to draw attention to one point of view, that is the second point of view. The duty on salt has all along been considered as a duty upon one of the necessaries of life, and a duty on

a necessary of life is justified only, in my opinion, when there is an emergency which compels Government to recover revenue from the people. If there is not that emergency, the general policy should be the avoidance of necessaries of life being included in the list of articles which are to be taxed. This is a case on which, from the very beginning, the Congress and the Indian public have consistently and emphatically protested, and declared that the duty on salt is one of the unreasonable duties and ought to be removed. This duty has undergone various changes from the old times. It is true that under the existing condition of the budget if the duty is removed it means a loss of eight crores of rupees; there is no doubt on that point. But our attitude on this point will depend upon the reply which Government can make. Are they prepared to consider any proposal which will ultimately lead to the abolition of the salt duty within a reasonable period? If the Government's reply had been of the nature that under the existing conditions they could not consider it, but that they were prepared to proceed by gradual stages, ultimately tending to the total abolition of a duty on an extremely necessary article of diet of the Indian people, within a reasonable time, I personally would not have been inclined to vote on the amendment as it is. But the attitude of the Government is of an entirely negative nature. Such being the case, I and my friends sitting behind me cannot accept this attitude of complete negation of their grievance—which has been a standing grievance of the Indian public for the last 40 or 50 years. To that our reply is that we have to stand by the demand of the country made for so many years. For that reason, I would advise my friends to vote for the motion.

Mr. S. Satyamurti: The intervention of my Honourable friend, the Leader of the Independent Party, is always welcome in this House: I wish he intervened oftener. He has thrown out a challenge to this side practically. I propose to answer that challenge, most respectfully and very briefly. My Honourable frined says that the removal of the salt duty will not give substantial relief to the poor. I want to remind my Honourable friend that the poverty of this country is one which no English word can adequately describe. (Hear, hear.) They talk of poverty in other countries in a quite different sense. If a poor man in this country can get eight annas the whole year round, it is a real addition to his income. Many people in this country cannot buy a yard of cloth, to make an additional bit of clothing for themselves. I am sure my friend knows it; several of them cannot afford two meals a day. I, therefore, suggest that the removal of the salt duty will bring substantial relief, not in our dictionary, but in the dictionary of the poorest in this land. I suggest that the average income being between seven pies a day and two annas at the most optimistic estimate, even the relief which eight crores of taxation being removed will give to the poor is not unsubstantial. I would, therefore, appeal to his generous heart to think of the poorest in this country, and vote for this motion.

The second argument he gave was that we have not suggested alternative schemes of taxation. I am very glad that, shrewd parliamentarian that he is, he recognised that it was no part of our obligation, and, if Government had asked that question, I would have said, no; but since he has asked that question, I would attempt to answer it. I want to tell him that a ten per cent. cut in salaries will give us four crores a year. Has he ever heard of salaries, on the scale prevailing in India, in any

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country in the world? How long will these fat salaries go on without their being touched in spite of the cataclysmal fall in prices? Why should we not bring them down, and give the poor this relief? Secondly, my Honourable friend, the Finance Member, who has constituted himself Deputy Providence to financial autonomy, forgot that he is the Finance Member of the Government of India. Why should we think of a revenue reserve fund out of the surplus? I ask my friend: "Is it just, is it fair, to tax the poorest in the land, make a surplus, and build up a revenue reserve fund—to create new provinces, give them funds. Why is it right, is it not a luxury comparatively speaking?"

Then, Sir, we have, I think, under-estimated the revenue this year also. My Honourable friend comes from a city where there are distinguished men who belong to Chambers of Commerce. I have been flooded—as I am sure he has been—during the last few days, with statements in which they have deliberately stated that the Finance Member has under-estimated the revenue. Taking all these together, we can easily make these eight crores.

But, Sir, I would like to conclude by supporting the point made by my Honourable friend, the Leader of the Nationalist Party. If the Government were willing to have a plan of reducing the eight crores by two crores a year or even by one crore a year in four or eight years, I can understand the attitude of the Leader of the Independent Party but their attitude is one of *non possumus*. And, after all, although my Honourable friend explained our vote on the Army cut was based more on constitutional than on financial grounds, I am sure, as one who knows the inner working of the Army Department to the extent to which "ignorant Members of this House" can ever be allowed to know these things, he ought to know—none better—that there is ample scope for retrenchment on Army expenditure. We are spending 45 crores of rupees on it; is it suggested seriously by any one, that you cannot reduce two crores out of that forty-five, can you not do it, does not my friend know it can be done? I do appeal to him—he made a valiant appeal the other day for our sitting down and settling our quarrels. Let him make a beginning today by walking into the lobby with us, and we will be starting on the road to settling these quarrels.

Some Honourable Members: Sir, I move that the question be now put.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the question be now put."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That to clause 2 of the Bill, the following be added at the end:

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if with effect from the 1st day of April, 1936, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

The Assembly divided:

AYES—52.

Aaron, Mr. Samuel.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Ba Si, U
Banerjea, Dr. P. N.
Bhagavan Das, Dr.
Chattopadhyaya, Mr. Amarendra Nath.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Chunder, Mr. N. C.
Das, Mr. B.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Gadgil, Mr. N. V.
Giri, Mr. V. V.
Gupta, Mr. Ghanshiam Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Kailash Behari Lal, Babu.
Khan Sahib, Dr.
Khare, Dr. N. B.
Maitra, Pandit Lakshmi Kanta
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Nageswara Rao, Mr. K.
Paliwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhuri.
Rajah, Raja Sir Vasudeva.
Rajan, Dr. T. S. S.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Sant Singh, Sardar.
Satyamurti, Mr. S.
Sham Lal, Mr.
Sheodass Daga, Seth.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Thein Maung, Dr.
Varma, Mr. B. B.

NOES—41.

Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das-Gupta, Mr. S. K.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Grigg, The Honourable Sir James.
Grigson, Mr. W. V.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Lal Chand, Captain Rao Bahadur Chaudhri.
Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sale, Mr. J. F.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): Then, the next one is a comprehensive amendment. If that is adopted, then I don't think any other Honourable Member can move his amendment.

The question is:

"That clause 2 of the Bill, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That clause 3 stand part of the Bill."

The first amendment stands in the name of Mr. Muthuranga Mudaliar.

Mr. C. N. Muthuranga Mudaliar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I don't move it.

Mr. President (The Honourable Sir Abdur Rahim): The next one is No. 41 standing in the name of Pandit Nilakantha Das.

Pandit Nilakantha Das: Sir, I don't move it.

Mr. President (The Honourable Sir Abdur Rahim): The Chair finds there are two other amendments in the names of Mr. Essak Sait and Mr. Bajoria, that is No. 40.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris: Muhammadan): I don't move it, Sir.

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): I don't move it, Sir.

The Honourable Sir Frank Noyce (Member for Industries and Labour): If it is really helpful to the House, I may say, Sir, that No. 42 is the most comprehensive.

Mr. President (The Honourable Sir Abdur Rahim): Does Mr. Paliwal wish to move it?

Pandit Sri Krishna Dutta Paliwal (Agra Division: Non-Muhammadan Rural): Yes, Sir.

The Honourable Sir Frank Noyce: I think, Sir, I am correct in saying that in past years you allowed all the amendments relating to letter rate to be moved together in view of a comprehensive discussion.

Mr. President (The Honourable Sir Abdur Rahim): Supposing this is passed, then do the other amendments become unnecessary?

The Honourable Sir Frank Noyce (Member for Industries and Labour): The trouble is that it is an extraordinarily complicated business, and that it is very difficult to say how far this amendment, which would involve the greatest loss to the Postal Department, would cover all the others. No. 42 involves the greatest loss to the post office.

Mr. President (The Honourable Sir Abdur Rahim): Are there any other variations proposed?

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I have a proviso to No. 52.

Mr. President (The Honourable Sir Abdur Rahim): I will take up No. 42 first.

Pandit Sri Krishna Dutta Paliwal: Sir, I don't move No. 42.

Mr. President (The Honourable Sir Abdur Rahim): Then, we come to No. 44. Does Mr. Akhil Chandra Datta want to move it?

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Yes, Sir. My amendment is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head '*Letters*' the following be substituted:

'For a weight not exceeding half a tola . .	Half an anna.
For a weight exceeding half a tola, but not exceeding one tala	One anna.
For every tola or fraction thereof, exceeding one tola	Quarter of an anna'."

Mr. President (The Honourable Sir Abdur Rahim): The Chair might explain that if this is carried, then no further amendment can be moved.

Mr. Akhil Chandra Datta: Sir, on further consideration, I have decided not to move it.

Mr. President (The Honourable Sir Abdur Rahim): Which is the next one in order of comprehensiveness?

The Honourable Sir Frank Noyce: No. 47.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I do not move No. 47, Sir.

Mr. Mathuradas Vissanji (Indian Merchants Chamber and Bureau: Indian Commerce): I do not move No. 49, Sir.

Mr. President (The Honourable Sir Abdur Rahim): No. 50. Lalchand Navalrai. Absent. No. 51.

Mr. Basanta Kumar Das (Surma Valley *cum* Shillong: Non-Muhammadan): I do not move it, Sir.

Mr. S. Satyamurti: I also do not move No. 51, Sir.

Mr. President (The Honourable Sir Abdur Rahim): No. 53. Mr. Sri Prakasa.

Mr. Sri Prakasa: Sir, I move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the entries under the head '*Letters*' the following proviso be added :

'Provided that letters containing *bona fide* postal complaints and marked as such on the envelopes addressed to officers of the Postal Department, shall not require any postage'."

My suggestion is a very simple one; and I believe the Department can easily accept this amendment. Formerly, letters containing any complaints against the Postal Department could be sent without any postage. Now, the post office have changed that rule; and they require postage on every letter containing even a postal complaint. As I explained last year, it is rather hard to expect a man to complain against an over-charge of two pice on a bearing letter, in a letter that requires five pice of postage to send; and, therefore, I thought that it was in the interests of the Department itself to encourage persons to send complaints against itself without any pre-payment of postage. So far as I could understand my Honourable friend, Mr. Bewoor, he felt that, as complaints against every other Department of Government required postage, so should postage be required on complaints against the post office itself. But the fact is that other Departments of Government have to use postage when they send their letters, while the Postal Department does not use any postage on its own letters. And, when this Department is called a commercial department, it is up to the Department to facilitate the complaints that the public may have to make against it, and it should not effectively shut out all complaints by insisting on postage. Last year, my Honourable friend, Mr. Bewoor, said that it was easy for me to hand over a complaint to the post office as I went about my business, and that if I cared to hand over the complaint to the post office which had over-charged me, then I could do so without any extra postage. But, supposing I have a complaint against the post office of Bombay, surely the post office in Benares is not going to accept a complaint that I may have to make there. I fear the Department feels that very often complaints are not *bona fide*, and so it wants to discourage such complaints. I think there is also the idea that a lot of anonymous letters will be sent without pre-payment of postage. But I do think that all this fear is not well founded. There are not very many people in our country who pursue very far their complaints against any wrong that they feel they have suffered; and the few that want to do so should be encouraged to do so. It is in the interests of the post office itself that this proviso should be accepted.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the entries under the head '*Letters*' the following proviso be added :

'Provided that letters containing *bona fide* postal complaints and marked as such on the envelopes addressed to officers of the Postal Department, shall not require any postage'."

Mr. G. V. Bewoor (Director General, Posts and Telegraphs): Sir, the concession of sending, free of postage, complaints against the postal and telegraph departments was granted in the early days of post office in India when it was considered desirable to encourage complaints in order to ascertain and remove defects in the service which might otherwise pass unnoticed, and, generally, to establish confidence in the minds of the public. This privilege undoubtedly served its purpose at the time, but it had long outlived its usefulness and had developed into a source of definite inconvenience, if not a nuisance. A very large majority of the complaints were found to be frivolous and groundless, but apart from that, the chief difficulty is this. A letter comes in a closed cover and it is not, until you have opened the letter, that you know whether it contains a complaint, or whether it is an application for a job, or whether it relates to an application for the transfer of a savings bank account, or whether it is an obscene letter, or an anonymous attack upon any one.

Dr. P. N. Banerjea: It can be mentioned on the cover that it is a complaint.

Mr. G. V. Bewoor: The mere fact that the writer mentions on the cover that it is a complaint is not a guarantee that its contents are a complaint, and, it is after long years of experience of this kind of inconvenience or nuisance, that the Government decided to take away this privilege. I wish to assure the House that we had absolutely no desire in making this change to earn any more money for the department. The amount of revenue involved in this is a very small one, but the time of the departmental officers was greatly wasted in dealing with absolutely frivolous complaints, and especially with a large number of anonymous communications which came with the superscription "Postal complaint".

Mr. Sri Prakasa: Will my Honourable friend allow me to inform him that I have myself recovered many a half anna, when there was a system of making complaints without pre-payment?

Mr. G. V. Bewoor: I do not quite understand the Honourable Member.

Mr. Sri Prakasa: I have recovered many a half an anna in the old days when I could complain against the post office's over-charge without pre-paying postage on letters containing my complaints.

Mr. G. V. Bewoor: I never accused my Honourable friend of making frivolous complaints, but there are 350 millions of people in this country . .

Mr. Sri Prakasa: Can they all write? These 350 millions? (Laughter.) That is news to me.

Mr. G. V. Bewoor: These are actual facts, and I can tell the House an actual story. A Superintendent began to receive a number of complaints, and when he examined them, he traced them to a certain school where a school master was teaching his students how to write letters and applications; and, in order to test whether their essay or their attempt at writing letters and complaints were really such as to impress somebody, they used to address these in a cover and send them to various postal officers. That is one of the actual instances that has occurred in the post office. This was some years ago, but my chief point is, that I do not see why in the post office there should be this particular concession which is not extended to any other department of Government. Everybody will admit, I am sure, that complaints made to the post office always receive

[Mr. G. V. Bewoor.]

the best possible attention and with the least delay. We do not wish to encourage the sending of numerous communications which are not really complaints by restoring this concession. It is not on the ground of revenue that I put this forward but on the ground of grave administrative inconvenience. I have already issued instructions that it is open to any member of the public to hand over, in an open cover or without a cover, any complaint that he may have to make against the postal service or the telegraph service. I can perhaps satisfy Mr. Sri Prakasa by informing him that even if it is a complaint against the postal service of Bombay it will be open to him to hand over his complaint in an open cover to a postmaster with a request that it should be forwarded to the proper authorities and I shall see that instructions are issued that the complaint should be accepted and sent to the proper authority who is authorised to investigate into the complaint. I trust that the explanation I have given will be accepted by the House and that the department will not be called upon to waste the energies of its officers by investigating into a large number of frivolous complaints and thus putting a premium on people making unnecessary complaints.

Mr. Sri Prakasa: In view of what Mr. Bewoor has said, I ask for leave of the House to withdraw my amendment.

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

Mr. Sri Prakasa: Sir, I beg to move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head '*Postcards*' the following be substituted :

'Single picture stamped postcards (sold by the Post Office)	Nine pies.
Single (other than the above)	Six pies.
Reply	One anna'."

Sir, before I proceed, allow me to pay my tribute once more to the Postal Service and those who are in charge of it, from the Honourable Members who sit in this House to the humble village postman and postal runner on the hill side for all that they do for us. The Post Office, Sir, is the only Department of this Government that is doing any good to the country; and it is the only Department of Government that may honestly be called honest. (Hear, hear.) It may perhaps interest you, Sir, and interest the House also, to know that during the 20 years of my public life and though I may not look very old, I have put in 20 years of public life, I have had occasion to make many suggestions, asked and unasked, to this Government; and during all this time the only suggestion of mine that Government has accepted is to allow a full half portion on the address side of a postcard for purposes of correspondence. All my other suggestions have been turned down; and I may perhaps hope that if I live for another 20 years, one more suggestion may be accepted, *viz.*, that the size of the postcard sold by the post office may be made as large as that of the private postcard.

As a recent circular of the Department said to the world, the Government have now increased the size of private postcards from 5½" by 3¼" to 5⅞" by 4⅛", and for the edification of the House I will show it samples

of the two. Honourable Members perhaps do not know that this concession has come, so it is just as well they should know this. Moreover the embossed postcards printed and sold by the Post Office will now have a line right in the midle on the address side, in order to give the writer a full half portion. It is a great concession because, as we know, though there was no "monkeying about" with the postcard, there was a lot of lion-ing and unicorning about it, and the royal motto—'*Honi soit qui mal y pense*'—was also printed on it all of which filled up a large amount of writing space unnecessarily. I understand that the motto meant: "evil to him who evil thinks". Well, it is just as well that that has been now removed, because when a full half portion has been given for writing, nobody will think evil and so nobody need be cursed with evil in return.

Now, Sir, the Post Office has introduced very pretty picture postcards. I rather like picture postcards; and my only suggestion to the Post Office would be to put some wax paper between two picture postcards that the pretty picture on one postcard may not leave smudges on the one below and thus make writing on them unpleasant. Therefore, I suggest that they should have this extra wax paper between postcards, and for that I am willing to give them an extra pice. In short, my suggestion is that picture postcards may be sold for nine pies while the ordinary ones for six pies. Picture postcards are ordinarily used by persons who have very little to write. I understand that according to the code of letter-writing in England, they do not usually begin, "my dear so and so" or end with "yours sincerely" or "yours affectionately" on postcards: they just write a few words, like "kisses to the baby", (Laughter), or sometimes, when a lady feels particularly jealous of a friend whose husband has given her a better motor car than she herself possesses, she just writes off: "your car is a beauty, my dear". Well, you see, persons who just want to write a line on postcards will be greatly facilitated by these picture postcards.

Sir Cowasji Jehangir: Where are these picture postcards in the Schedule? Where are they in this Bill itself?

Mr. Sri Prakasa: When they are in actual fact in the post office, how does it matter if they are not in the Bill, they can easily be brought in it.

Mr. G. V. Bewoor: May I explain, Sir? I am afraid there has been some misunderstanding on the part of the Honourable Member. With regard to the picture postcards, we issued a Press Communique on the subject which apparently escaped his notice. The picture postcard has not been introduced by the Department as a regular part of its postal stationery. It is merely an attempt, by co-operation between two Departments of Government, to help in increasing traffic. We approached certain Railway Administrations and said to them: "If you would like to join us, we would have a few postcards printed with pictures representing something on your Railway and will place them for sale in post offices. We will benefit by selling a few more postcards than we might otherwise do, and you will get the publicity for important places which are situated on your Railway and thus encourage traffic". The North Western Railway very cordially came to our help. They paid for the cost of the block and of the printing and we undertook the distribution of the postcards,—a very small number, namely 100,000 postcards only have been printed, while our total sales are 200 million postcards.

Mr. M. A. Jinnah: What is the stamp on that?

Mr. G. V. Bewoor: It is the same,—the ordinary postage on a postcard, we do not charge anything extra; the extra cost of printing the picture is paid for by the North Western Railway. The Honourable Member apparently wants us now to embark upon printing picture postcards as a regular part of the postal stationery and to charge extra postage on it. Well, if we do embark upon a scheme of supplying picture postcard stationery, it is unnecessary to include this matter in the Schedule because the Schedule merely says what the rate of postage on a postcard should be. It will then be open to the Department to say that the postage is two or three pice, as the case may be, and the cost of the picture is one pice or two pice, or three pice according to the nature of the work, the colour, the picture, or the fine paper on which we print. Therefore, I hope the Honourable Member will agree to omit the entry "picture postcards" and just deal with the postage rate.

Mr. M. S. Aney: May I ask for some explanation? Where is the expenditure which is incurred for the sake of having these picture postcards shown in the Budget?

Mr. G. V. Bewoor: That expenditure is paid for by the North Western Railway out of their grant for publicity.

Mr. Sri Prakasa: Sir, I know all that my Honourable friend has said but I wanted really to draw the attention of the House to two things and get what I really wanted on the sly, if I may say so, by allowing an extra pice on picture postcards and inducing Government to lower the price of ordinary postcards. Firstly, I do not want any co-operation between the Railways and the Post Office; and I do not want them to charge the Railways for the printing of their pictures. If they embark on this business, they will soon find sellers of Jintan or Sexol coming to them and asking them to print their beautiful illustrated pictures instead. (Laughter.) Then, they will get into a mess.

Mr. G. V. Bewoor: The Railways are a Department of the State.

Mr. Sri Prakasa: They are all Departments of the State when it suits them; and they are all commercial and business concerns when that suits them. The Post Office in India, with its vast resources, can really embark on giving us beautiful pictures on its postcards. I say, you might have postcards with good pictures which people may like to look at and alongside of which people may like to write on, while travelling in trains. For this I am willing to give an extra pice. That will cover the cost of the block to which my Honourable friend referred, as well as the wax paper which I think very necessary for picture postcards. Then, Sir . . . .

Mr. M. A. Jinnah: May I rise on a point of order? I understand what the Honourable the Mover's amendment wants is to substitute the Schedule, which only deals with the postcard, and not with the picture postcard. His amendment is—if you will look at it:

"Single picture stamped postcards sold by the Post Office.....Nine pies."

Well, these pictures on these postcards are not done by the Post Office except by arrangement with the Railways. I want to understand, if I am wrong does the Post Office actually produce, at their own cost, picture postcards and sell them at your cost?

Mr. G. V. Bewoor: As I stated, Sir, the cost of the picture is paid by the Railway but the cards are sold by the Post Office.

Mr. M. A. Jinnah: Perfectly true. Therefore, the Post Office has got no Department in which they produce picture postcards and sell them,—I do not know, Sir, how this amendment will fit in.

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot say that the amendment is out of order, because the Post Office does sell picture postcards. If any Honourable Member thinks that this ought not to be in the Schedule, then he can vote against it.

Mr. Sri Prakasa: If there is any technical defect, I would with your permission take out my first line, Sir. I fear people generally do not know that these picture postcards are sold by the Post Office. Probably Mr. Jinnah also does not know, otherwise he would rush to the Post Office and buy some.

Mr. M. A. Jinnah: My point is this: the Post Office has yet not established any Department for preparing or printing picture postcards and selling them on their own account. What they have done is that the Railways have paid for the making of these picture postcards which they sell on their account.

Mr. Sri Prakasa: Am I to understand that the Post Office sends these postcards to the Railway, who get them printed, or do the Post Office themselves print these picture postcards? I understand, that the Post Office themselves print these picture postcards and charge the Railway for the extra cost of printing those postcards.

Mr. M. A. Jinnah: They are paid for by the Railways.

Mr. Sri Prakasa: I am quite prepared to have these postcards paid for by ourselves and I am quite willing to pay an extra pice on each postcard. I do not want them only to get those pictures with which the Railways are concerned.

Mr. M. A. Jinnah: That is a new departure. Unless the Government of India agree to accept that, your amendment is futile.

Mr. Sri Prakasa: Most of our amendments are futile, I know. Here is a picture postcard. I have just got it for three pice only, I do not want the North Western Railway advertised on it. If the sense of the House, however, is that they do not want my suggestion regarding picutre postcards, or that somehow or other it cannot be fitted in, I shall have no objection in taking that line off.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot do that now.

Mr. Sri Prakasa: I would suggest to the Post Office that they should put this wax paper between the postcards if they want to continue this scheme.

Mr. M. A. Jinnah: I am rather anxious about it, Sir. How will you put it to the vote? If you put it all together, it will certainly create a serious difficulty?

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands the Honourable Member's point of order to be this: the Post Office does not manufacture these picture postcards, which are manufactured by a certain Railway. Well, that does not really affect the question whether this amendment is in order or not. It is quite open to the Honourable Member to move that if they sell any picture postcard, then the rate should be reduced . . . .

Mr. Sri Prakasa: My proposal, Sir, is that, for every picture postcard there should be the same rate as now, but for the ordinary postcards the postage should be lower.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member does not make any change in the rate, the present rate?

Mr. Sri Prakasa: Not for the picture postcard.

Mr. M. A. Jinnah: How are you going to put it to the vote, Sir?

Mr. President (The Honourable Sir Abdur Rahim): The Chair will put the whole of it to the vote.

Mr. M. A. Jinnah: That does not give me the opportunity to vote on each item. I may agree to one part of the amendment and not to the other. If you put the whole thing to vote, that deprives me of the opportunity of exercising my vote.

Mr. President (The Honourable Sir Abdur Rahim): There are other amendments which do not mention picture postcards.

Mr. M. A. Jinnah: Surely it is open to you to cut short the discussion instead of allowing the time to be wasted on this question.

Mr. Sri Prakasa: I should like to know from you, Sir, whether this amendment cannot be put piecemeal to suit the convenience of Honourable Members.

Mr. President (The Honourable Sir Abdur Rahim): No; it cannot be done because it is an entire scheme.

Mr. Sri Prakasa: In these circumstances, I should like the leave of the House to withdraw the amendment.

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

Dr. P. N. Banerjea: Sir, I beg to move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post office Act, 1898, for the entries under the Head '*Postcards*' the following be substituted

'Sing'e	Six pies.
Reply	One anna '."

Sir, it is within the recollection of many of us that some years ago the value of the postcard was only three pies, but, afterwards, it was raised to six pies, and, in 1931, it was raised to nine pies. Thus the increase is 200 per cent. I may point out, in this connection, that in many countries, during the war, the price of postcards and envelopes were raised, but soon after the termination of the war the old rates were restored. It has been the complaint of the public, for a long time past, that this rise in the value of the postcard has adversely affected the poorest people in the country. Well-to-do people do not use postcards. They use envelopes. But the poorer people cannot afford to use envelopes, and, therefore, this rise by 200 per cent. in the value of postcards has adversely affected the poor people. It is needless for me to say that, even as a commercial proposition, this is not sound, because, when the price of the postcard is raised, there is a natural decrease in the sale. It was found in many countries that it was so, and when the prices of postcards and envelopes were reduced, immediately there was a substantial increase in sale. My Honourable friend, the Finance Member, will perhaps say that the decrease in the price of postcards will not lead to such an increase as will make up the whole loss. Perhaps he is right. But surely a portion of the loss will be made up by the increased sale and if that be so, I would ask him, at a time when the financial position of the country has slightly improved to take this step which has been urged by this House year after year.

The procedure adopted here in regard to the Finance Bill is very defective, and in order to introduce a more improved procedure, I gave notice of an amendment to the effect that the Finance Bill should be referred to a Select Committee. My object was that the procedure with regard to the Finance Bill might be made somewhat similar to the procedure of the British House of Commons.

4 P.M.

The Honourable Sir James Grigg: I should like to disabuse the mind of the Honourable Member on that point. All Finance Bills must be taken in a Committee of the whole House and not in Standing Committees.

Dr. P. N. Banerjea: If my Honourable friend will have patience for one minute, I will make the position clear. I said "make it somewhat similar" to the procedure of the British House of Commons without the dilatoriness and without the cumbrousness of that procedure. That was why I said that the Select Committee procedure was suitable and not a Committee of the whole House. What is the advantage of this system?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss that now. He did not move it in time.

Dr. P. N. Banerjea: What I intend to point out on this occasion is this, that the Finance Member's objection will be that he has not much money to spare, but if the Finance Bill had been referred to a Select Committee, we might have pointed out certain sources of retrenchment, we might also have pointed out certain things on which additional taxes might be levied or we might have pointed out certain matters on which a reduction in taxation was not desirable at the present moment. That would have been the advantage of a Committee procedure. However, that is not possible now, but I hope the Honourable Member will keep this in mind and introduce that procedure next year.

Now, as regards the price of postcards, it is admitted, on all hands, that it would be a move in the right direction to reduce it. If that be so, I hope the Honourable the Finance Member will consider the amount which he will lose by accepting our suggestion. If he finds that it will not be possible for him to meet the whole loss on this account, during the coming year, he might set apart some portion of the surplus of this year for that purpose, and, in the coming year, perhaps there will be further increase in the sale of postcards and thus there will ultimately be no loss. It has been said that the Postal Department is a commercial concern; but when the price of postcards was increased from two pice to three pice, it was increased as a surcharge and it formed part of the Finance Bill. If it be a purely commercial concern, the thing should not form part of the Finance Bill. It is really an afterthought to call this Department a commercial Department. I do not quarrel with the Honourable the Finance Member for calling it a commercial Department; but I must point out that for a considerable time past, this Department has been regarded as a public utility department. As a matter of fact, it has two aspects and when we consider it from the point of view of the convenience of the public and particularly the interests of the poor, I think, we, on this side of the House, ought to insist that the price of postcards should be reduced from nine pies to six pies. Sir, I move:

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head '*Postcards*' the following be substituted :

'Single	Six pies.
Reply	One anna '."

The Honourable Sir Frank Noyce: Sir, I trust that you will permit me on this occasion, as you and your predecessors have been good enough to do in recent years, to utilise this the first convenient opportunity, to review the position of the Posts and Telegraphs Department in order to place the House in a better position to discuss the various amendments which have been brought forward for its consideration. I promise, Sir, that I will do so much more briefly than I did last year, when I thought it my duty to present to a new Assembly the financial history of the department from 1925-26 when its accounts were placed on a commercial basis and to trace that history in some detail through the years of depression. The performance of a duty of this kind is frequently a tiresome thing not only to the performer but to those who have to listen to his

performance; and I fear that last year I managed all too successfully to send some Members of this House to sleep during a lengthy speech (Laughter, and *Cries of* "No, no", "Not at all" "We always like to hear you") I am obliged to my Honourable friends opposite, that the local paper to which I referred the other day said that, "If we had been told that Sir Frank Noyce could be tiresome, we should not have believed it". All I can say is that I will do my best to avoid sending the House to sleep, on this occasion, when I propose to do little more than to take up the tale where I left off last year and to follow the example of my Honourable colleague, the Finance Member, in dealing, firstly, very briefly, with the financial results of the working of the department in 1934-35, and then at somewhat greater, but not I trust excessive length, with those for 1935-36 and the estimates for 1936-37, before discussing the very few outstanding points emerging from the consideration of these figures and offering a few observations on the amendments before the House. I should like to express, at the outset, my envy of the ability of my two Honourable colleagues, the Finance and the Railway Members, to make a financial statement lucid and interesting,—an ability to which I can lay no claim. I am not sure whether the fact that the Railway Member gets four days for his budget, whereas I seldom get more than one for the budget for a department which, of the departments under the Government of India, is second only in importance to the Railway Department, and administers a budget of some 11 crores,—whether that fact is a matter for envy or not. In one respect, the Railway Member is certainly more fortunate than I am and that is that he has come fresh this year to his railway budget whereas this is the fourth occasion on which I come to this House with mine; and that means that I cannot avoid endeavouring to make over again in what I am afraid will be much the same words some of the points I have endeavoured to make in past years. I must crave the indulgence of the House if I, on my part, indulge in some repetition. I would conclude this series of comparisons with my Honourable colleagues by saying that the Posts and Telegraphs Department is more fortunate than the Railway Department in that it is able to present a balanced budget both for 1935-36 and 1936-37, and that, in spite of the fact that there has been a full contribution to the depreciation fund and in spite of the restoration of the remainder of the cut in pay, the provision for increments in pay, which continue and will continue for some years to come, to be an inevitable burden on the department and a largely enhanced provision for pensions about which I shall have more to say presently.

Coming now to the figures for 1934-35 in my speech last year I stated that the revised estimates for that year indicated a profit of Rs. 13·81 lakhs. Actually the financial results of the last three months of the year were much better than we had reason to expect, and the year closed with a surplus of just under Rs. 38 lakhs. This favourable result was obtained by an increase in revenue and a decrease in expenditure. The improvement in revenue was shared almost equally between postage and message revenue, chiefly by increased sales of stamps and by miscellaneous revenue,—miscellaneous revenue mostly being increased telephone receipts. The decrease in expenditure was distributed in small amounts over several heads, and I need not weary the House with details. I would merely ask it in considering these figures to remember that the five per cent. cut in pay was still in force in 1934-35, representing a saving of Rs. 28 lakhs,

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and that the contribution to the depreciation fund was short that year to the extent of Rs. 27 lakhs.

So much for 1934-35. Our budget estimates for 1935-36 provided for a loss of 13 lakhs, revenue of Rs. 1,133 lakhs against an expenditure of Rs. 1,146 lakhs, as against the revised estimates of a profit of nearly Rs. 14 lakhs for 1934-35 and an actual profit, as I have mentioned, of nearly Rs. 38 lakhs. Our reasons for budgeting for a deficit were the restoration of the remainder of the cut in pay, costing some Rs. 28 lakhs and the restoration of the contribution to the depreciation fund costing Rs. 19 lakhs,—still Rs. 10 lakhs short of the figure required on the accepted lives of assets, and an increase of Rs. 15 lakhs to meet annual increments in salaries. In spite of the accusation of under-estimating which will be doubtless brought against us, here and elsewhere, I am glad to say that our estimates of revenue have been exceeded, and in our revised estimates we are now taking credit for a total revenue of Rs. 1,150 lakhs, an increase of Rs. 30 lakhs over the 1934-35 figure. This improvement is undoubtedly due, in the main, to the general improvement in trade conditions, but no small part of it must, I think, be attributed to the intensive publicity campaign which has been carried on by that very live wire, the present Director-General of Posts and Telegraphs. (Applause.) Every time Members enter this building, they are given ocular demonstration of his efforts in that direction. They are reminded of the facilities and amenities provided by his department and are exhorted to make more use of them, and above all, to stamp their letters properly.

On the expenditure side, in spite of the fact that we have unfortunately proved to be out in our calculations in the amount required for pension charges by Rs. 26 lakhs,—I shall have more to say about that presently,—we still expect to be under the budget estimates by Rs. 1·63 lakhs. It is, I think, evidence of the attention which is and will continue to be paid to every opening for economy that we have been able to meet the unexpectedly heavy pension charges and still to keep within the budget estimates. The net result of 1935-36, if our revised estimates prove correct, as I hope they will,—but I should warn the House that the figures of revenue for the last two months, the months since the revised estimates were framed, are not as good as I should like to see them,—the net result for 1935-36, if as I say our revised estimates prove correct, will show a profit of Rs. 6 lakhs against the budget estimates of a deficit of Rs. 13 lakhs.

I now come to the budget estimates for 1936-37. Their salient features and the proposals we have put forward for changes in the tariff for letters have already been explained by my Honourable colleague, the Finance Member. After provision for a loss of potential revenue amounting to Rs. 13 lakhs, on account of our revision of the letter tariff, our estimate is that we shall be left with a small surplus of just over Rs. 2 lakhs. In other words, I am, for the first time during my tenure of office, presenting this House with a balanced budget—small as is the estimated surplus. I am not optimistic enough to believe that my Honourable friends opposite will allow me to retain any of the satisfaction I may now feel at that achievement. Our gross receipts have been estimated at Rs. 1,175 lakhs—an improvement of Rs. 25 lakhs over the

revised estimates for the current year. Having regard to the revenue returns for the two months since the revised estimates were framed, to which I referred a moment ago, I see no reason whatever to believe that this estimate errs on the side of optimism, even allowing for the increase in traffic which may be occasioned by the elections which we anticipate will be held next cold weather. At any rate, it is only two lakhs of rupees short of the average annual increase of Rs. 27 lakhs which was secured during the pre-depression quinquennium. One point I would emphasize in this connection is that the revenue figure we have adopted in the estimates is higher than has been realised in any year since the accounts of the Department were placed on a commercial basis in 1925-26.

On the expenditure side, we budgeted for a total of Rs. 1,173 lakhs which is an increase of Rs. 29 lakhs compared with the revised estimate for 1935-36. This increase is the final result of a number of variations under different heads, but its principal components are Rs. 12 lakhs for increments in pay, Rs. 9 lakhs for increased pension charges, Rs. 7 lakhs for haulage charges payable to railways, and Rs. 1·50 by which we are raising this year's grant of half a lakh for the provision of postal facilities in rural areas.

The net result for 1936-37 is thus, I would repeat, a revenue of Rs. 1,175 lakhs against an expenditure of Rs. 1,173 lakhs.

Before I proceed to deal with the only two outstanding features on which I propose to touch at this stage, pensionary charges and the depreciation fund, the House would, I think, wish me to deal very briefly with the working of the different branches of the Department,—a matter in which several Members of this House take rather a keen interest. The Postal Branch is, of course, our chief source of revenue as it is also our chief outlet of expenditure. In 1934-35, revenue amounted to Rs. 760 lakhs against expenditure of Rs. 736 lakhs, leaving a profit of Rs. 24 lakhs. For the current year, we estimate a profit of exactly the same amount though revenue at Rs. 788 lakhs and expenditure at Rs. 764 lakhs will both be up by Rs. 28 lakhs. For next year we have budgeted for revenue of Rs. 803 lakhs and expenditure of Rs. 786 lakhs, giving an estimated profit of Rs. 17 lakhs.

The Telegraph Branch presents, I am sorry to say, a distinctly gloomy picture. Revenue in 1934-35 was Rs. 272 lakhs against expenditure of Rs. 280 lakhs. There was thus a loss of Rs. 8 lakhs. For the current year our revised estimates show revenue at Rs. 270 lakhs against expenditure at Rs. 305 lakhs—a loss of Rs. 35 lakhs. This is in spite of the reductions in the rates made in 1934-35. I venture to hope that the lesson of these figures will not be lost on the House; that lesson is that reductions in rates do not, as is so often assumed, mean increased revenue. For 1936-37 we assume a revenue approximately the same as that for the current year and expenditure of Rs. 311 lakhs, a loss of Rs. 42 lakhs.

The Telegraph and Telephone Branches are, as the House is aware, very closely connected and as an offset to the depressing figures I have just given to the House, it is satisfactory to find that what we lose on the telegraph swings we make up to some extent on the telephone roundabouts. In 1934-35, our receipts were nearly Rs. 80 lakhs and our expenditure Rs. 56 lakhs, a profit of Rs. 24 lakhs. This year we estimate

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revenue at Rs. 83 lakhs and expenditure at Rs. 63 lakhs, a balance of Rs. 20 lakhs. For 1936-37 we anticipate that revenue will further increase to Rs. 91 lakhs while expenditure at Rs. 64 lakhs will be very little more than this year's leaving a balance of Rs. 27 lakhs. We had hoped that the figures would be even better than this. Trunk revenue has expanded, but the number of telephone subscribers has not increased to the extent we anticipated when we made extensive reductions in the annual rates of subscription for telephone connections.

There remains the Radio Telegraph Branch, small at present but a branch which is rapidly developing. Its main revenue consists of recoveries from other Departments, more especially the Civil Aviation Department. The loss on this branch in 1934-35 was Rs. 2 lakhs. For the current year we anticipate a loss of Rs. 3 lakhs which we trust will next year be reduced to under a lakh with receipts at Rs. 10½ lakhs and expenditure at about Rs. 11½ lakhs.

In my speech last year, Sir, I mentioned that it had been decided to abandon the system of debiting the budget of the Posts and Telegraphs Department with a contribution payable to general revenues based on actuarial calculations of pensionary liability and to revert to the former practice—that of limiting the charge on account of pensions to the actual payments made during the year. I explained that the change would be made effective in the accounts for 1935-36 and expressed the hope that it would result in some benefit to the budget of the Department. Unfortunately, this hope has not been fulfilled. The actual figures for the first few months of the year indicated that our estimates were badly out and, as I have mentioned, the revised estimates exceed the budget estimates by Rs. 26 lakhs. The main reason for this is that the effect of the drastic retrenchments extending over some 3½ years on the pension bill was not fully realised. During that period over 15,000 people have been retrenched, the majority of whom, of course, have got pensions. Normal retirements have thus been anticipated by many years with a corresponding increase in the pension bill. Two important points must, however, be borne in mind in this connection. The first is that the increase in expenditure in the Posts and Telegraphs budget is reflected in the relief to central revenues which would otherwise have been paying these pensions while receiving the smaller contribution. There is thus no loss to Government as a whole. The Posts and Telegraphs Department is merely meeting expenditure which should legitimately be debited to it.

The second consideration is that the increase in the pension liability is far more than set off by the extensive saving in the pay bill which would obviously have otherwise been far higher than it is now. Were if not so, there would, of course, have been no justification for retrenchment. Retirements in the near future will be much below normal and the pension bill should, therefore, steadily fall. Many of the retrenched personnel are still on leave and will not commence to draw pension and, for that reason, we have provided for a further increase of Rs. 9 lakhs in pension charges in the estimates for 1936-37. On the other hand, the provision for increments in pay has been reduced from Rs. 15 lakhs to Rs. 12 lakhs—the first fruits of the introduction of the lower scales of pay for new entrants.

I do not propose to say much about the depreciation fund. I endeavoured to explain to the House last year the difference between a depreciation fund operated on a straight line basis and one operated on a sinking fund basis. It is fortunately unnecessary for me to repeat that explanation this year, for we have abandoned both methods and, as in the case of pension charges, have decided to adopt a much simpler method than that followed hitherto. As my Honourable colleague, the Finance Member, explained in his budget speech, it has been decided after careful and prolonged investigation, that all practical requirements will be met by instituting a renewals and replacements fund from which money will be drawn as it is required for the reconstruction and replacement of assets. To this fund will be transferred the closing balance of the depreciation fund as it will stand on the 31st of this month when we place it at Rs. 317 lakhs. To it will be added each year a sum which will be fixed by Government, from time to time, after taking into account all relevant factors, such as the capital at charge, the annual amounts likely to be required for the reconstruction of bad assets and the necessity for maintaining an adequate fund. The contribution to the fund for the next five years has been fixed at the rate of Rs. 25 lakhs per annum. The contribution to the depreciation fund which had reached the figure of Rs. 33.63 lakhs in 1929-30 will thus be reduced by over 8½ lakhs in spite of the increase in the capital at charge. On the other hand revenues benefit by the interest on the depreciation fund balances. Up till 1929 this interest was credited to the fund itself, but now it is treated as revenue. As the amount of interest, included in the budget of 1936-37, is Rs. 15.87 lakhs, the total relief secured to the department as a result of prolonged investigation into the subject is Rs. 24½ lakhs as compared with 1929-30. Here again, what we have lost on the pension swings we have gained on the depreciation fund round-abouts.

Now, I come to the amendments before this House, and at this stage, I would even at the risk of wearying the House by repetition restate the policy that the Government have endeavoured consistently to follow in administering the Posts and Telegraphs Department. That policy, which I venture to think was never seriously questioned by this House until last year, is to regard the Posts and Telegraphs Department as a public utility service and to expect from it that it should, in the same way as the railways and any other organisation which operates to the benefit of the general public and are looked upon as public utility services, pay its own way. It is a valuable monopoly and that monopoly should be so worked as to be a source of benefit to the general taxpayer without being a burden on him. As I said last year it was in order to see how far this was the case that the accounts of the department were organised on a commercial basis with effect from 1925-26. It is also the accepted policy that any surpluses in the working of the department should normally be used for the extension of postal facilities, re-organizations which may be necessary in order to ensure the highest efficiency, and also for revision of rates which may be possible and reasonable. That, Sir, is exactly the policy we are placing before the House this year. We estimated for a small surplus of Rs. 17 lakhs, and the first charge we place on that is an additional grant of Rs. 1½ lakhs for opening new post offices or for additional postmen to improve rural deliveries and to provide the additional staff that may be required elsewhere in that connection. That amount of 1½ lakhs seems small to my friend, Mr. Joshi, who, heedless of the recurring liabilities which would

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inevitably ensue, clamoured for a grant of Rs. 10 lakhs per annum for five years. All I can say, in this connection, is, that we have to bear those recurring liabilities in mind, that we shall go ahead with the extension of postal facilities in rural areas as rapidly as funds permit, and that I have asked the Director General to submit, as soon as possible, a report on the working of the experimental post offices we have opened this year in order to enable us to form some idea of the rate at which we can safely undertake further expansion in this direction.

After making this provision, we were left with a surplus of some Rs. 15 lakhs and the question arose as to the possible and reasonable revision of rates to which this could be applied. It was obviously entirely insufficient to meet that revision of rates which Members of this House have most at heart, the reduction of the postcard rate from three-quarters of an anna to half an anna. That, on the best estimate we can frame, would cost about half a crore of rupees. Even allowing for a ten per cent increase in traffic every year, it must be several years before there is a sufficient increase in traffic to make up this loss. About that I shall have much more to say presently. Revision of the postcard rate being in our view out of the question, we had to decide what was the next best. We had no doubt about this in our own minds, nor, I think, has this House. There is no doubt whatever that the half tola limit for letters has been a constant source of irritation and annoyance to the public which has not got used to it as I hoped it would when we made the change two years ago. What it has got used to apparently is a better quality of note paper, and that it is not willing to discard. The result is that there has been a marked increase of letters posted with insufficient stamps on which charges have to be levied from the addressees, though I should like to make it clear that this increase is by no means entirely due to the half tola letter but must be attributed to a considerable extent to my Honourable friend, Mr. Bewoor's unceasing vigilance, in stopping leakages of revenue in all directions. We have taken advantage of this opportunity to revise the present letter tariff which, as a result of enhancements in rates and reduction in weights made at various times, is now thoroughly illogical. At present the postage on the first half tola is one anna. The next two tolas increase that by three pies only, but as soon as the 2½ tola limit is passed, the postage increases at once by 1¼ annas up to five tolas, and, thereafter, every additional 2½ tolas cost another 1¼ annas. The new rate is a rational one as the postage for the first unit of one tola is an anna and for each subsequent tola it is half an anna. I have no doubt that we shall be accused of taking away with one hand what we are giving with the other, for it is true that in some of the higher categories there will be an increase over the present rate at certain stages. But I am glad to find that no amendment has been moved on this point, and so I gather that the new scale is not causing any great dissatisfaction. An increase or decrease at certain stages on the existing tariff is obviously inevitable if a rational system is to take the place of the present illogical one; and that we are giving away a good deal is evidenced by the fact that we estimate the cost of this concession at 13 lakhs. We anticipate that 70 per cent of the letters posted will still fall within the first unit of weight and we think it is not unreasonable that we should endeavour to reduce the cost of the concession by imposing a slight increase on some—not all—of the heavier letters which are mostly despatched by those who

are best able to bear an increase—Government departments and business concerns. I should like to make it clear that we do not contemplate that the revision of the letter rate we propose is going to bring about any appreciable increase in our letter traffic, and, therefore, ultimately any increase in revenue. Its effect will be almost entirely limited to a reduction in the number of insufficiently paid letters and a very substantial increase in the number of letters in the first category of weight.

With a surplus of two lakhs, after making the change in rates which we think most urgent, there is obviously nothing left for any other change. But I need hardly say that we did examine the possibility of reducing the rate on book packets, a change which has been urged upon us in the interests of business and would especially appeal to my Honourable friends in the centre of the House. Our experience of the last two years has shown that in spite of the increase in rates two years ago, the book packet traffic has declined only very slightly. The number of book packets carried in 1934-35 was about 98 millions. We estimate that it will be only a million less this year, and the next year we put it at about some 14 per cent. higher in view of the slight improvement in trade conditions and the coming elections. It does not appear probable that a reduction in the rate would bring in any appreciable increase in traffic which is not already allowed for in our assumptions. The most modest reduction in the rates proposed in any of the amendments before the House would cost us eight lakhs against our anticipated surplus of two lakhs.

Now, Sir, I come to a point which is of the greatest interest to the House at the present moment, and that is the very vexed question of the half anna postcard. I need hardly say that it would have been a source of very great satisfaction to me if I had been able to come before this House today with proposals for a half anna postcard. But in view of the statement of the financial position of the Posts and Telegraphs Department which I have placed before this House, I am compelled to ask myself and this House where the money is to come from to pay for the cost of this concession.

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An Honourable Member: Take it from rural uplift.

The Honourable Sir Frank Noyce: We estimate that it would cost us about 50 lakhs. That estimate may and will be questioned, but it has been framed by those who are in the best position to judge. Whether it errs on the side of caution or not, whether say Rs. 40 lakhs would be nearer the mark than 50 lakhs, the fact remains that the Posts and Telegraphs Department simply has not the money to pay for it this year and that the result must be to add another very large sum to the Rs. 166 lakhs which is the accumulated deficit of the department. If I judge aright from what was said in the course of the Budget discussions, that fact is widely and universally recognised in this House. If I understand aright the views of many of the Honourable Members who have spoken on this point, two ways of meeting the deficit that would be caused by the reduction in the postcard rate have been suggested. One is that it should be met from the grant for village uplift and the other is that it should be met from the general surplus. The argument in both cases is the same, namely that the reduction in the postcard rate is a form of village uplift, and indeed I have heard it urged that it is as much a form of village uplift as any object to which Local Governments are devoting the money

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they are getting. This argument, Sir, overlooks three important considerations. The one to which I myself attach most importance I shall deal with last. The first consideration I would urge is that the surplus from which it is proposed to finance the concession is not a recurring surplus. As I have said, and I would repeat it again, it is estimated that the concession this year will cost us Rs. 50 lakhs. At the very best, that amount can only be reduced by gradual stages. Where is the money to come from to make up the deficit in future years? There is no guarantee whatever that similar surpluses will be available in future years. My Honourable colleague, the Finance Member, has dealt with that point more fully and with greater knowledge than I can do, and I will pass on to the next consideration. I would ask the House very seriously to consider the exact effect from the village uplift point of view of the proposed concession. Let me put before it a few hard facts. In 1935-36 we estimate that the total number of postcards which will have passed through our hands will be 410 millions. In 1921-22 when we had a pice postcard it was 648 millions. If we were to assume, and it is, of course, an utterly impossible assumption, that we could get back to the peak figure at once, it would mean that, on the average everybody in India must send $1\frac{2}{3}$ postcards against the $1\frac{1}{4}$ postcards he is sending now—half a postcard more than at present. The benefit that would accrue would thus be about three quarters of a pie per head. The difference between $1\frac{1}{4}$ postcards at nine pies and $1\frac{3}{4}$ postcards at six pies. This is on the most favourable figure. In point of fact, it would be less than that sum, for though we have of course no means of distinguishing between the rich man and the poor man in respect of the postcards they send, between the urban and the rural community, or between the business community and the general public, it seems safe to assume that not more than 60 to 75 per cent. of postcards are sent by the rural population or by the poor man who is so often mentioned in this connection. My friend, Mr. Jinnah, in dealing with the salt tax said, that he must confess that he was not satisfied that the reduction in salt tax was going to give any substantial relief to the poor man. I can only hope that I have satisfied him at any rate that the reduction in the postcard rate is not going to give any substantial relief to the poor man.

Mr. M. A. Jinnah: It is just the other way.

Sir Cowasji Jehangir: Did the Honourable Member say that 60 to 75 per cent. of the postcards were used by the rural population?

Mr. M. A. Jinnah: If that figure is correct, it is just the other way.

The Honourable Sir Frank Noyce: The figure is obviously an assumption. We have no means for distinguishing the number of postcards sent by the various elements of the community. I am dealing with the benefit per head per annum, and the net result is a benefit of about three quarters of a pie per head per annum by the reduction in the postcard rate. If the contention is that the cost of the concession should be met from the village uplift grant, I would urge that the ephemeral benefit the village population would get from being able to send an additional postcard now and then cannot be weighed in the same scale as the benefit they should get from the schemes financed by Local Governments from the village uplift grant which, however much my Honourable friends opposite think may be open to criticism in detail, are bound to leave a permanent mark for good on the country side.

Now, Sir, I come to what, in my views, is the most important consideration of all, though I have not much hope that it will make the same appeal to my Honourable friends opposite as it does to me. It is that to make any reduction in postal rates at the expense of general revenues is opposed to all sound financial principles and will send the Department, over whose destinies I have presided for the last four years, down the slippery slope to financial perdition. With the loyal and able assistance of my Honourable friend, Mr. Bewoor, and his predecessor, Sir Thomas Ryan, and the staff of the Department, to which I am glad that my Honourable friend, Mr. Sri Prakasa, has paid a tribute, I have been able to get the finances of that Department on an even keel. There is at last, at long last, my Honourable friends may think, indications that without any artificial aid the half anna postcard is in sight. The difference between us and the Honourable Members opposite is that they are not willing to allow the convalescent patient to recover naturally. They want to hasten what they think is recovery by applying a stimulus which will prove detrimental in the end. Already I have seen in questions asked in the course of the Session indications of what would happen if the course they advocate were pursued. We shall, for instance, be asked to send newspapers and magazines to village libraries free of charge and to make concessions on the rates for journals of scientific and other learned societies. And, as I said last year, the precedent would be quoted in many other directions. We shall be asked to apply the same principle to railway rates and to give favourable rates to certain classes of goods in order to benefit that class of population which uses the postcard. What incentive will the department have to follow the straight and narrow path of economy when it feels that this House will always be willing to meet its deficit out of general revenues in order to enable it to retain the half anna postcard? Sir, this House was very wise when it adopted the principle that the Post Office should be expected to pay its way and should not be a burden on the general taxpayer. It will, Sir, I would urge with all the emphasis I can command, be very unwise if it departs from that prudent course. The Posts and Telegraphs Department is now emerging from a slough of despond. It has its head and shoulders above the mire and bids fair to get safely to solid earth. I would earnestly appeal to this House to assist its efforts and not to thrust it back into what may well prove a bottomless pit. (Applause).

Sir, I oppose the amendment.

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, with your permission, I would like to make a Statement of Business.

For Monday, Tuesday, and Wednesday next, the business will be first, the completion of the Finance Bill, and, thereafter, Supplementary Demands for Grants. If the Supplementary Demands are disposed of before the House rises on Wednesday, the time remaining available will be given by Government for the moving of a non-official motion relating to the report of the Committee appointed in pursuance of the motion

[Sir Nripendra Sircar.]

adopted with reference to the report of the Hammond Committee. The Honourable the Commerce Member's motion on the subject of the Ottawa Agreements will be taken on Thursday and Friday next week, and on Monday, the 30th March. It is now clear that the volume of business remaining to be transacted will not admit of the Session terminating by the 9th April, and I request you, Sir, to direct that the Assembly should sit for the transaction of official business on Tuesday, the 14th and Wednesday, the 15th April. Honourable Members having expressed a definite desire for the allotment of two additional non-official days, which I had promised to secure in the event of such desire existing, it is proposed to move His Excellency the Governor General to allot the 16th April for Resolutions and the 17th April for Bills. If essential official business is not completed by the 15th April, I shall, at a later stage, request you to direct further meetings after the 17th April for the transaction of official business. I also take the opportunity of mentioning that representations have been addressed to me that the House should not sit on the 31st of March, which, though not a gazetted holiday, is the day of the *Ram Navami* festival. You, Sir, have provisionally directed a meeting to be held on that day, and I must leave it to you to decide whether the meeting for that day should be cancelled. In the event of your directing that there should be no meeting on that day, I would request you, in consideration of the fact that Wednesday, Thursday and Friday, the 1st, 2nd and 3rd April will also be blank days owing to the Muharram holidays, to direct that there should be a meeting for the transaction of official business on Saturday, the 4th April.

Maulvi Syed Murtuza Sahib Bahadur (South Madras: Muhammadan): The Mohurram is sacred to us so far as the Muhammadans are concerned. In Muhammadan countries, 13 days are set apart for Mohurram, but we get only three days. Fortunately, we had a Saturday and Sunday included, and, therefore, we were able to have five days. During this month, the 2nd was a holiday. We requested the Government through you, Sir, that we were prepared to sit on the 2nd, and we wanted the 4th as a holiday, because it was the *Haj* day. It was not granted. We including all the Hindu Members, also, expressed a desire that we would be quite willing to sit on Saturday, but it was said it was a gazetted holiday and so we could not sit on that day. So, this time 4th April happens to be a Saturday which is generally a holiday.

Mr. President (The Honourable Sir Abdur Rahim): When do the Mohurram holidays terminate?

Maulvi Syed Murtuza Sahib Bahadur: It terminates on the *Ziarat* day.

The Honourable Sir Nripendra Sircar: May I make it clear that we are not pressing the House to sit on the 4th April if they do not want to sit? I am only making the suggestion to you that as we are not sitting on the 1st, 2nd and 3rd, the House may sit on the 4th.

Mr. President (The Honourable Sir Abdur Rahim): Is there any other day available?

The Honourable Sir Nripendra Sircar: No. There is a Saturday—Saturday the 28th March. But if we do not finish the supplementary demands by Wednesday,—then I have got to allot time for Hammond Committee's Report, and I am not sure what will happen, it all depends on what happens on Tuesday and Wednesday next.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I want to know which section of the House desires that we should not sit on the 31st and that we should sit on the 4th.

The Honourable Sir Nripendra Sircar: I think I ought to explain to my Honourable friend that the Hindus, represented by Mr. Sri Prakasa, Mr. Bajoria, Mr. Soni and others, do not want to sit on the 31st. I enquired into the matter, and I found that, as a matter of fact, during the last four years, both the Assembly, when *Ram Navami* fell during the Sessions, and the Council of State, throughout, have not sat on the *Ram Navami* day. That is the reason why I am prepared to accede to their request, but I have left that matter to the President. If he thinks that we ought to sit on the 31st, I am quite willing to do so.

Mr. President (The Honourable Sir Abdur Rahim): The Chair would ask the Leaders of the different Groups to come to an understanding on this point. It is seen that objection is raised on behalf of the Muhammadan Members that 4th will not suit them. Then, it will have to be considered what other days are available. Before the Chair makes an announcement, it hopes that the Leaders of the Independent Party, the Congress Party, the Nationalist Party and the European Group will talk over the matter and see if they could arrive at some arrangement. There is time enough and the Chair thinks this can be settled next Tuesday.

The Honourable Sir Nripendra Sircar: There is plenty of time, Sir.

Mr. M. A. Jinnah: Do I understand that the discussion with regard to the Ottawa Agreement must be terminated by the evening of the 30th? Is that the understanding?

The Honourable Sir Nripendra Sircar: That is what we were given to understand by Mr. Desai. He has spoken on behalf of the Independent Party also.

Mr. M. A. Jinnah: I only wanted to know.

The Honourable Sir Nripendra Sircar: That is our impression. The understanding is that the Ottawa should be finished by the 30th.

Mr. Sri Prakasa (Allahabad and Jhansi Division: Non-Muhammadan Rural): Yes, finished! Ottawa will be finished by the 30th!!

Mr. President (The Honourable Sir Abdur Rahim): The Chair hopes that the Leaders of the different Groups will consider the matter and let it and the Leader of the House know, say, by next Tuesday, as to whether they were able to arrive at some arrangement.

The Assembly then adjourned till Eleven of the Clock on Monday, the 23rd March, 1936.

LEGISLATIVE ASSEMBLY.

Monday, 23rd March, 1936.

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

MEMBER SWORN.

Mr. Maurice Garnier Hallett, C.S.I., C.I.E., M.L.A., (Home Secretary).

QUESTIONS AND ANSWERS.

CHANGE IN THE OFFICE HOURS OF THE NORTH WESTERN RAILWAY HEADQUARTERS OFFICE.

1378. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state if it is a fact that several applications have been submitted by the staff employed in the Headquarters office, North Western Railway, Lahore, for changing the office hours from 5 P.M. to 4 P.M. during the summer months? If so, what action was taken on the same?

(b) Is it a fact that the Punjab Government have fixed their office hours from 10 to 4 P.M.? If so, in view of the extreme heat during summer, why is not the Railway following suit?

(c) Is it a fact that the Railway staff of the Headquarters office, Lahore, have offered an alternative proposal to reduce the recess period and fix working hours from 10 A.M. to 4-30 P.M.? If so, what do Government propose to do by way of relief sought for?

The Honourable Sir Muhammad Zafrullah Khan: (a) The reply to the first part is in the affirmative. As regards the latter part the staff were informed that their request could not be granted.

(b) Government are not so aware, but the Railway Department is a Commercial Department and is not bound to follow the Local Government in this matter even if the hours fixed by the Local Government are those mentioned by the Honourable Member.

(c) The reply is in the affirmative. Government, however, consider that the hours from 10 A.M. to 5 P.M. from Mondays to Fridays, with half an hour's recess, from 1-15 P.M. to 1-45 P.M. during the summer months, are not excessive and do not propose to take any further action.

Mr. Lalchand Navalrai: Will Government say if the Agent of the North Western Railway has considered this point of curtailing the recess?

The Honourable Sir Muhammad Zafrullah Khan: I do not know whether the Agent has considered it, but I have considered it.

Mr. Lalchand Navalrai: So, the Honourable Member is not prepared to give them this half an hour.

The Honourable Sir Muhammad Zafrullah Khan: I have given the reply.

Mr. Lalchand Navalrai: What are the reasons? No reasons have been given.

The Honourable Sir Muhammad Zafrullah Khan: What are the reasons for suggesting the change?

Mr. Lalchand Navalrai: The reason is that, on account of the heat of the day and the several other considerations mentioned in the application, this request should be granted, and the matter should be treated sympathetically.

The Honourable Sir Muhammad Zafrullah Khan: It is not a question of sympathy. It is a question of opinion. I think it is far better to go home at five o'clock on a hot day than at four o'clock.

Mr. Lalchand Navalrai: That is not how they view it.

OMISSION TO SUPPLY PARTICULARS BY INSURANCE COMPANIES.

1379. ***Mr. Mathuradas Vissanji:** (a) Has the attention of Government been drawn to the case of any Insurance Company which has omitted to furnish the figures or information as required by law under the Indian Insurance Companies' Year Book, 1934?

(b) What steps have Government taken to compel such Companies to submit particulars of their business as required by law?

The Honourable Sir Muhammad Zafrullah Khan: (a) It is presumed that the Honourable Member refers to such part of the information included in the Indian Insurance Year Book, 1934, as Insurance Companies are required by law to furnish. No company has omitted to furnish such information, but in a few instances information has been received too late for inclusion in the Year Book.

(b) Does not arise.

REPORT ON THE INDIAN COMPANIES ACT BY MR. S. C. SEN.

1380. ***Mr. Mathuradas Vissanji:** Will Government be pleased to state whether the report on the Indian Companies' Act by Mr. Sen is ready, and if so, will Government be pleased to state when it will be published?

The Honourable Sir Nripendra Sircar: That report is not intended for publication, and will not be published.

PROTECTION TO INDIAN INSURANCE ENTERPRISE.

1381. ***Mr. Mathuradas Vissanji:** (a) Has the attention of Government been drawn to the feeling amongst the Indian Insurance Companies that the delay in the reform of legislation, affecting this branch of business, is having a prejudicial effect upon the progress of the Indian Insurance Companies?

(b) Will Government be pleased to state whether they propose to consider the question of affording protection to the Indian Insurance enterprise, and, if so, in what form will this protection be given?

(c) Will Government be pleased to state whether they have received any representation from the Federation of Indian Chambers of Commerce and Industry regarding protection or safeguarding of Indian Insurance enterprise, and, if so, what reply they have made to such representation?

(d) Are Government prepared to appoint a committee, consisting of representatives of the Indian Insurance Companies, to advise upon the reform of legislation affecting Insurance enterprise?

(e) Are Government aware of any Insurance Company having been obliged to retire from Siam and French Indo-China because of such legislation introduced in these countries?

(f) Has the attention of Government been drawn to the introduction of similar legislation in Egypt?

(g) Will Government be pleased to state if there is any legislation in the British Dominions, like Australia, New Zealand, Canada, South Africa, which acts as a deterrent to outside Companies wanting to operate in those territories?

(h) Has the attention of Government been drawn to the methods by which Japan encourages and protects such enterprise of its own nationals, and particularly after the earthquake in that country, refuses admission to any foreign companies for work in that country?

The Honourable Sir Nripendra Sircar: (a) Government are aware that this view has been expressed in certain quarters.

(b), (c) and (d). Representations were received from the Federation of Indian Chambers of Commerce and Industry and also other public bodies, which were considered by the Officer on Special Duty, Mr. Sen, whose report is now before Government for consideration. Government propose to appoint a committee, on which Indian insurance interests will be represented to assist them in the consideration of that report.

(e) Government have been informed by one company that they retired from these countries because they did not consider that the scale of their business justified them in making the deposit required by law.

(f) No.

(g) Government are aware that in some of these countries higher deposits are required from foreign than from indigenous companies.

(h) Government's information is that since the earthquake new insurance companies, whether Japanese or foreign, have not been licensed in Japan.

Mr. Mathuradas Vissanji: Will Government be pleased to state when the appointment of this Committee will take place?

The Honourable Sir Nripendra Sircar: At the present moment, my expectation is that the Select Committee on the Company Law will finish somewhere in August, and this Committee may meet in November.

Mr. S. Satyamurti: May I know what will be the composition of this Committee, apart from Indian Insurance Companies?

The Honourable Sir Nripendra Sircar: We have not considered that at all.

Mr. S. Satyamurti: Is that with a view to bringing legislation before the House?

The Honourable Sir Nripendra Sircar: It is to consider the suggestions made by Government after they have considered Mr. Sen's report.

Mr. S. Satyamurti: With a view to ultimate legislation?

The Honourable Sir Nripendra Sircar: Yes.

PERMANENT LOCATION OF ARMY HEADQUARTERS IN DELHI.

1382. *Mr. Muhammad Azhar Ali: (a) Will Government please state the total expenditure incurred under the following heads between the financial years 1930-31 and 1935-36:

(i) move of all military offices, including the Defence Department, Army and Royal Air Force Headquarters, Military Accountant General, and the Director of Army Audit, between Simla and Delhi and *vice versa*;

(ii) winter allowance to the staff retained at Simla during the winter months;

(iii) Delhi allowance to the staff moved to Delhi;

(iv) cost of coal consumed by winter offices of Simla; and

(v) trunk telephone call bills on account of communication between New Delhi and Simla?

(b) Is it a fact that the headquarters of the departments connected with the Army in India is Simla? If so, will Government please state the justification for this huge expenditure by not locating all the military offices permanently at their headquarters station, *viz.*, Simla?

(c) Will Government please state the number of the British and Indian personnel of the Army Headquarters offices kept at Simla and moved to Delhi during the winter?

(d) Will Government please state the reasons why Superintendents and Assistants of Army Headquarters offices, which remain at Simla during the winter, are not given any compensatory winter allowances, whereas allowances are given to those that are moved to Delhi?

(e) Are Government aware that staff of offices kept at Simla during winter are put to heavy expenditure due to the move of their families at their own expense between Simla and stations in the plains and *vice versa* in order to escape the severe winter of a hill station like Simla? If so, are Government aware that the retention of these offices at Simla during winter causes a considerable drain on the poor clerks' resources?

(f) Are Government prepared to locate those offices at some station in the plains where the staff could benefit by the social amenities of the town and climate throughout the twelve months? If not, why not?

(g) Are Government aware that the staff of the winter offices at Simla are prepared to be located at any station in the plains for twelve months in preference to twelve months' stay at Simla?

(h) Have Government ever received any representation from the Army Headquarters non-covenanted Association appealing for their move to Delhi during winter even without any allowance being granted to them? If so, what action have Government taken thereon?

Mr. G. R. F. Tottenham: (a) No. The collection of the information desired would involve an expenditure of time and labour which would not be commensurate with the results achieved.

(b) If the Honourable Member is referring to the Defence Department and the Military Finance Branch, the reply to the first part of the question is in the negative. As to the second part, it is essential for administrative reasons that certain portions of the military offices should always be with the Government of India.

(c), (d), (e) and (f). The attention of the Honourable Member is invited to the reply given on the 13th March, 1936, to question No. 1192.

(g) Government have no information.

(h) A representation was received in 1933, and duly replied to but it did not contain any suggestion of the nature cited.

ELECTRICITY SUPPLY IN THE SHAHDARA TOWN OF THE DELHI PROVINCE.

1383. *Mr. Muhammad Azhar Ali: Will Government please state:

(a) the terms of agreement on which the licence was granted to Messrs. Martin & Co., Managing Agents of the Upper Jumna Valley Electric Supply Company, Limited, to supply electricity to the town of Shahdara, Delhi Province, including the Notified Area (both to the Area Committee and residents for domestic purposes and street lighting);

(b) whether the Electrical Inspector to the Delhi Administration has ever inspected the electric mains and live wires of the said company running overhead on buildings of Delhi Shahdara Notified Area; if so, when and with what results; and what is the minimum and maximum distance from a standing person at the nearest height;

(c) whether they are aware that on some buildings the electric mains and live wires are so closely laid down that they can easily be touched by a person;

(d) whether the conditions and rates of supply to Delhi Shahdara of the said company are in conformity with those prevalent in New Delhi, Delhi City, Civil Lines Notified Area and Fort Area; if not, whether Government propose to bring it to a uniform basis; if not, why not; and

(e) whether they are aware of the rate of supply to the said company of electricity produced by the Irrigation Department of the United Provinces of Agra and Oudh Government?

The Honourable Sir Frank Noyce: (a) The terms are embodied in a license with four annexures which may be inspected in the Chief Commissioner's office.

(b) All overhead wires and services were inspected by the Electrical Inspector on the 31st May, 1934, 10th January, 1935 and 25th November, 1935, and were found to conform to the Indian Electricity Rules, 1922, except that in some instances it was not practicable to conform to the minimum height of 15 feet.

(c) No.

(d) The conditions and rates of supply in Shahdara do not conform with those in the Delhi City, New Delhi, Civil Lines and Fort areas. The answer to the second part of the question is in the negative. It is not essential that these should be alike in the two separate areas of supply.

(e) No.

Pandit Lakshmi Kanta Maitra: With regard to part (d), did the Honourable Member make any inquiries as regards the allegations?

The Honourable Sir Frank Noyce: What inquiries?

Pandit Lakshmi Kanta Maitra: About the cables being in a low position?

The Honourable Sir Frank Noyce: I have asked my Honourable friend what enquiries he suggests.

Pandit Lakshmi Kanta Maitra: The Honourable Member said, No. But the question is whether the electric wires are so low that they can be touched, and it is very dangerous to human life?

The Honourable Sir Frank Noyce: I have not seen the reports. I am quite willing to get a copy and to find out in what cases it has not been found practicable to conform to the 15 feet maximum.

INCREASE IN THE IMPORT OF SUGAR THROUGH PORTS IN INDIAN STATES.

1384. ***Mr. Satya Narayan Sinha:** (a) Are Government aware that the imports of sugar are increasing in the country through the various Indian State Ports?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state what steps they have taken, or are going to take, to check such imports, which is causing loss of revenue and is a growing menace to the indigenous sugar industry?

The Honourable Sir James Grigg: (a) During the first eight months of the current financial year the total imports of sugar into British India through Indian State Ports were slightly higher than during the corresponding period of the previous year. The latest information received, however, indicates that such imports are now decreasing.

(b) I would invite the attention of the Honourable Member to the reply which I gave to question No. 42 and supplementary questions asked by Mr. Satyamurti on the 4th of February, 1936.

Mr. S. Satyamurti: Are Government satisfied that the steps they have taken are effective for the purpose mentioned in part (b) of the question?

The Honourable Sir James Grigg: When you say satisfied, they are not complete yet, but, in so far as they had been taken, I think they are satisfactory, but there are still very large questions remaining outstanding.

Mr. S. Satyamurti: Are Government considering those outstanding questions, with a view to achieving the object mentioned in clause (b)?

The Honourable Sir James Grigg: Certainly.

Mr. S. Satyamurti: When do they hope to finish consideration, and take final and effective steps to achieve this very desirable object?

The Honourable Sir James Grigg: I cannot say when.

Mr. S. Satyamurti: Before the Federation?

The Honourable Sir James Grigg: Certainly.

SETTING ASIDE OF A PORTION OF THE EXCISE DUTY FOR RESEARCH AND IMPROVEMENT IN SUGAR-CANE CULTIVATION.

1385. ***Mr. Satya Narayan Sinha:** Will Government be pleased to state what they have done with regard to the recommendation of the Sugar Committee of the Imperial Council of Agricultural Research meeting, which was held in July, 1935, for setting aside at least two annas per rupee out of the proceeds of the excise duty for the research and improvement in cane cultivation?

Sir Girja Shankar Bajpai: I would invite the Honourable Member's attention to the answer already given to parts (d) and (e) of Mr. Satyamurti's question No. 414 on the 16th September, 1935, and to the Honourable the Finance Member's speech when presenting the budget for 1936-37.

Prof. N. G. Ranga: Are peasants represented on this Sugar Committee, how many per each province, and who elects them?

Sir Girja Shankar Bajpai: The composition of the Sugar Committee does not arise out of this question, I submit.

OUTSTATION ALLOWANCES OF RAILWAY MAIL SERVICE SORTERS.

1386. *Pandit Lakshmi Kanta Maitra: (a) Is it a fact that an absence of six hours from headquarters in the case of Railway Mail Service Superintendents and Inspectors entitles them to a full diem allowance, whereas not a farthing is paid to sorters for absence from their headquarters for double this period?

(b) If the answer to the above be in the affirmative, will the Honourable Member in charge of Labour and Industries be pleased to state the reasons underlying this anomalous distribution of allowance?

(c) Is it a fact that for absence from headquarters from over 12 hours to 24 hours, the sorters get four annas, mail guards two annas and van peons one anna as outstation allowance?

(d) If the answer to part (c) be in the affirmative, will the Honourable Member in charge of Labour and Industries be pleased to state the principle that was applied in fixing these rates of outstation allowances?

(e) Are Government prepared to revise the present rates? If not, why not?

Mr. G. V. Bewoor: (a) Yes.

(b) There is no anomaly, as the circumstances in which Superintendents and Inspectors of the Railway Mail Service on the one hand and Railway Mail Service sorters on the other are absent from headquarters are entirely different. In the case of the latter such periods of absence are definitely fixed and recur regularly. It is, therefore, possible for the sorters to arrange to take either provisions or cooked food with them from their homes. They are also provided with a rest house in which to stay during their absence from headquarters and these rest houses are within reasonable proximity of the railway station. In the case of Superintendents and Inspectors of the Railway Mail Service, such absences are irregular both in duration and in frequency and no provision is made for them as in the case of sorters.

(c) Yes.

(d) The principle followed was that the men could take their first meals out with them from their homes and therefore the allowances were sanctioned as a contribution towards the extra cost of arranging for their second and subsequent meals when away from home.

(e) No; Government consider that the allowances are a suitable contribution to the extra cost to which the men may be put in the matter of meals away from home owing to the special circumstances of service in the Railway Mail Service.

Pandit Lakshmi Kanta Maitra: May I know if the Honourable Member considers that amount of allowance sufficient for the subsequent meals?

Mr. G. V. Bewoor: Yes.

REDUCTION IN THE WORKING HOURS OF THE RAILWAY MAIL SERVICE SORTING OFFICES.

1387. *Pandit Lakshmi Kanta Maitra: (a) Is it a fact that weekly working hours of the following offices under the Postal and Railway Mail Service Department are as follows?

1. Administrative offices—36 hours.
2. Local Post Offices—40 hours.
3. Head and Sub Record Offices—45 hours.
4. Sorting Mail Offices—56 hours.

(b) If the answer to part (a) be in the affirmative, will the Honourable Member in charge of Labour and Industries be pleased to state why this discrepancy is maintained in the weekly working hours of these different offices under the same department?

(c) Do Government propose to decrease the weekly working hours of the Railway Mail Service sorting mail offices and bring the same on par with those of the administrative office?

Mr. G. V. Bewoor: (a) Weekly working hours are not prescribed in the various stationary offices of the Department mentioned by the Honourable Member. The attendance of personnel in post offices and Railway Mail Service offices is fixed at 8 hours per day with half an hour's relief. In administrative offices the hours of attendance are ordinarily fixed at six a day.

(b) The reason why a lesser period of duty is prescribed for administrative offices is that the work is more exacting.

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

GRANT OF HOLIDAYS TO THE OFFICIALS WORKING IN THE RAILWAY MAIL SERVICE SORTING OFFICES.

1388. *Pandit Lakshmi Kanta Maitra: (a) Is it a fact that officials attached to the Circle Office and offices of the Superintendent, Post Offices and Railway Mail Service, get on an average 90 days' holidays during the year and local Post Offices get 60 days, whereas the officials of the Railway Mail Service sorting offices enjoy no holidays at all (even Sundays not being excepted)?

(b) If the answer to part (a) be in the affirmative, are Government prepared to make arrangement for the grant of holidays in the case of these officials working in the Railway Mail Service sorting offices?

(c) If not, are Government prepared to grant special compensatory allowances to these officials?

Mr. G. V. Bewoor: Information has been called for and will be placed on the table in due course.

ALLOWANCE GRANTED TO THE RAILWAY MAIL SERVICE OFFICIALS IN THE DOOARS REGIONS, BENGAL.

1389. *Pandit Lakshmi Kanta Maitra: (a) Is it a fact that a fixed allowance of Rs. 5 is granted to the Railway Mail Service officials working in sections running through the Dooars regions, Bengal, whereas allowances varying from Rs. 7 to Rs. 15 are given to the Sub-Postmasters and clerks of Post Offices of those regions?

(b) Is it a fact that these allowances are granted to the above officials to compensate for the extra expenditure sustained by them due to the unhealthy and notorious Dooar climate, and will the Honourable Member in charge of Labour and Industries be pleased to state why this discrepancy is being retained by Government in the matter of grant

of allowances to the Postal and Railway Mail Service officials belonging to the same department and the same cadre in service?

(c) Are Government prepared to revise the scales of allowances which are given to the Railway Mail Service officials working in sections running through the Dooars regions (Bengal)?

(d) Is it not a fact that duties of the Railway Mail Service officials working in the sections are more hazardous and trying than the duties performed by their brother officials in the Post Office?

(e) If the answer to part (c) be in the affirmative, are Government prepared to consider the special case of the Railway Mail Service officials in refixing the allowances which are given to them working in that section?

Mr. G. V. Bewoor: (a) and (b). The sorters of one Railway Mail Service section whose headquarters station is outside the Dooars and who have periodically to pass through those regions on duty are paid fixed allowance of Rs. 5 per mensem. Their duty involves passing through the Dooars once in six days. This allowance is given in view of the unhealthy Dooars climate and it is given in addition to an outstation allowance which is intended to meet the extra expenses of sorters while away from headquarters station. Sub-postmasters and clerks of post offices in the Dooars region are given allowances varying from Rs. 7 to Rs. 15. The conditions are entirely different in the case of post office officials who are stationed in the Dooars and who have to live there every day of the week.

(c) As explained above there is no discrepancy in the matter of the grant of allowance and Government are not prepared to revise the scales given to the Railway Mail Service sorters.

(d) The conditions of work in the post office and in the Railway Mail Service are different and it is not possible to say if one is more hazardous and trying than the other.

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

Pandit Lakshmi Kanta Maitra: Are the working hours the same in both?

Mr. G. V. Bewoor: Yes, eight hours per day.

DIVISIONAL SUPERINTENDENTS ON THE EAST INDIAN AND NORTH WESTERN RAILWAYS.

1390. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state the names of Divisional Superintendents of the different divisions in the East Indian and North Western Railways?

(b) What are the qualifications, pay and emoluments of each?

(c) How many of these are Indians and what are their scales of pay?

(d) When were these Indians, if any, appointed and what are their qualifications?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

PURCHASE OF THE PENINSULAR LOCOMOTIVE WORKS.

1391. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state what the present position is in regard to the Peninsular Locomotive works which were purchased by Government several years ago?

(b) Were they purchased for the purpose of manufacturing locomotives?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state how many locomotives have so far been manufactured there?

(d) If the answer to part (b) be in the negative, will Government be pleased to state to what use, if any, have the plant and machinery been put?

(e) What cost was incurred by Government in making the purchase?

The Honourable Sir Muhammad Zafrullah Khan: (a) The Workshop is being utilised for the manufacture of coaching underframes.

(b) No. The works are not equipped for the manufacture of locomotives.

(c) Does not arise.

(d) That portion of the machinery and plant purchased from the Peninsular Locomotive Company which could be utilised for the manufacture of underframes was retained in the Workshops; the balance was either transferred to other railway workshops or sold.

(e) Rs. 20 lakhs.

Pandit Lakshmi Kanta Maitra: Was not the plant originally purchased for the purpose of manufacturing locomotives?

The Honourable Sir Muhammad Zafrullah Khan: No.

Qazi Muhammad Ahmad Kazmi: Was it manufacturing locomotives before the purchase?

The Honourable Sir Muhammad Zafrullah Khan: I do not think so.

Qazi Muhammad Ahmad Kazmi: Was this company formed for the manufacture of locomotives, or not?

The Honourable Sir Muhammad Zafrullah Khan: I believe so.

Mr. S. Satyamurti: What is the value of the plant and machinery now in the workshops?

The Honourable Sir Muhammad Zafrullah Khan: I could not answer that without notice.

Mr. S. Satyamurti: What is the annual value of the work turned out by the workshops?

The Honourable Sir Muhammad Zafrullah Khan: I could not answer that either without notice.

Mr. S. Satyamurti: Are Government satisfied that they are getting the maximum value out of the plant and machinery in the workshops, by the work being done there now?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

Pandit Lakshmi Kanta Maitra: Are Government manufacturing wagons in these workshops?

The Honourable Sir Muhammad Zafrullah Khan: I do not think so, but I am not quite sure. I think it is only underframes.

Pandit Lakshmi Kanta Maitra: Underframes of both passenger coaches and wagons?

The Honourable Sir Muhammad Zafrullah Khan: I think so.

RECRUITMENT OF CLERKS AND OFFICERS FROM BENGAL AND ASSAM IN THE GOVERNMENT OF INDIA OFFICES.

1392. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state the number of men from the provinces of (i) Bengal and (ii) Assam, either as clerks or as officers in the Central Government offices recruited through the Public Service Commission?

(b) What is their proportion as compared with the men from the other provinces of India?

The Honourable Sir Henry Craik: (a) and (b). Government have not undertaken to secure representation for provinces either generally or in terms of particular communities. Men from Bengal and Assam have equal opportunities with those from other provinces. This being the case, no useful purpose would be served by collecting the information for which the Honourable Member asks, which would involve considerable labour and expense.

REFUSAL OF PASSPORT TO VISIT ENGLAND TO ONE MR. J. ADHIKARI, AN INTERNEE AT BIJAPUR.

1393. ***Mr. S. K. Hosmani:** (a) Are Government aware that one Mr. J. Adhikari, an internee at Bijapur in the Bombay Presidency, had applied to the Government of Bombay for a passport to go to England for medical treatment?

(b) Is it a fact that the Government of Bombay agreed to grant a passport with certain restrictions and informed him accordingly through the District Magistrate, Bijapur, *vide* his letter dated the 20th December, 1935, and further assured him of reasonable facilities to make necessary preparations for the journey?

(c) Is it a fact that the District Magistrate called for specimen signature and necessary attestation to facilitate the issue of the passport?

(d) Are Government aware that the said Mr. J. Adhikari accepted all the restrictions imposed and arranged for a berth on S.S. "California" sailing from Bombay on the 9th April, 1936?

(e) Is it a fact that the Government of Bombay informed the said Mr. J. Adhikari through the District Magistrate, Bijapur, on the 27th February, 1936, of their decision not to grant him any passport?

(f) If the reply to the above be in the affirmative, will Government be pleased to state the reasons why they decided suddenly not to grant him the passport?

(g) Are Government aware that he is a chronic patient of haemophalia?

(h) Is it a fact that he has produced medical certificates to that effect?

(i) Are Government aware that the medical treatment for this disease cannot be had in India?

The Honourable Sir Henry Craik: (a) to (f). Mr. Adhikari was at first refused a passport in 1934 in view of his Communist activities as stated in my reply to Mr. Giri's question No. 815 of the 11th March, 1935. Later, however, Government agreed to grant him a passport as stated, but, subsequently, certain fresh information came to light, in connection with an arrest made in January last, which made it clear that he would be likely to be engaged in Communist activities outside India and that the issue of a passport was, therefore, undesirable.

(g) and (h). I believe this is correct.

(i) No.

Mr. S. Satyamurti: Have Government made enquiries, or have they satisfied themselves that there is scope, or that there are facilities for medical treatment of this particular disease in India?

The Honourable Sir Henry Craik: Yes, my information is that treatment is available in India.

Mr. S. Satyamurti: What is the information in the possession of the Honourable Member on which he states that this gentleman, if he is given a passport, will engage in Communistic activities outside India?

The Honourable Sir Henry Craik: I have stated that certain information came to light in connection with an arrest made in January last; I have certain documentary information the nature of which I cannot disclose, as the documents in question are exhibits in a case which is still *sub judice*.

Mr. S. Satyamurti: Are Government acting purely on information contained in the documents which have been supplied to Courts of law, or are they relying on any private document?

The Honourable Sir Henry Craik: I do not quite follow what the Honourable Member means.

Mr. S. Satyamurti: I think the Honourable Member said that some of these documents were exhibited in Courts of law. I am asking whether Government are acting on that information based on documents which are now exhibited in Courts of law, or whether Government are acting on any other information in their possession.

The Honourable Sir Henry Craik: The information was contained in those documents.

Mr. N. V. Gadgil: May I know whether Mr. Adhikari was given any opportunity to explain the grounds on which Government proceeded to cancel the passport?

The Honourable Sir Henry Craik: I do not think so.

Mr. N. V. Gadgil: Is it a fact that Mr. Adhikari has written through the District Magistrate, Bijapur, to the Government of Bombay, to let him know the grounds on which he was refused passport, so that he might have an opportunity to explain the position?

The Honourable Sir Henry Craik: I am not aware of that.

Qazi Muhammad Ahmad Kazmi: Is it not a fact that gentlemen, who carry on Communistic propaganda in India, are often sent out of India? Is there any special reason for keeping this particular gentleman, Mr. Adhikari, inside India even when he is suspected of instigating Communistic activities?

The Honourable Sir Henry Craik: That seems to me a matter of argument?

Mr. S. Satyamurti: What is the policy of the Government? To detain Communists in India, or to send them outside India? Or do they want to do both at the same time?

The Honourable Sir Henry Craik: They can stay where they are.

Mr. T. S. Avinashilingam Chettiar: Were any restrictions placed upon him in issuing the passport, or was it one of the restrictions that he should not mix with Communistic organizations when he goes out?

The Honourable Sir Henry Craik: I do not think any conditions of that kind were suggested.

MR. SUBHASH CHANDRA BOSE.

1394. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) whether they are aware of the Reuter's message that Mr. Subhash Chandra Bose will be arriving in India on 3rd April;

(b) whether the ban on him still continues;

(c) whether he will be allowed into his country; and

(d) if not, what action they propose to take?

The Honourable Sir Henry Craik: (a) Yes.

(b) to (d). Mr. Subhash Chandra Bose has been warned that if he returns to India, he could not expect to remain at liberty.

Mr. T. S. Avinashilingam Chettiar: What are the reasons?

The Honourable Sir Henry Craik: Because, in the opinion of Government, his remaining at liberty in India would be a danger to the State.

Pandit Lakshmi Kanta Maitra: Are Government aware that, in reply to a question during the Simla Session, the Honourable Member said that there was absolutely no ban on the return of Mr. Subhash Chandra Bose to India?

The Honourable Sir Henry Craik: That was in relation to whether he possessed passport facilities. He does hold a passport available for journey to India. I never gave any undertaking that he would be at liberty if he returned to India.

Qazi Muhammad Ahmad Kazmi: How have Government come to know of the actual mental conditions of Mr. Subhash Chandra Bose—the opinion he holds is strictly private confined to himself—that if he returned to India, he would engage himself in activities dangerous to the State? Have Government got any evidence on which they decided that, if he comes back to India, he will start activities against the Government?

The Honourable Sir Henry Craik: Plenty of evidence.

Sir Cowasji Jehangir: Was Mr. Subhash Chandra Bose asked to give any undertaking that, if he is allowed into India and remains free, he must take to only constitutional methods of agitation?

The Honourable Sir Henry Craik: No, he was not asked.

Mr. Akhil Chandra Datta: Is it not a fact that Mr. Bose was arrested in connection with the Civil Disobedience Movement?

The Honourable Sir Henry Craik: No, Sir, he was arrested for different reasons.

Mr. Akhil Chandra Datta: Was he not arrested immediately after the resumption of the Civil Disobedience Movement by Mahatma Gandhi in 1932? Was he not free for a long time before?

The Honourable Sir Henry Craik: His arrest was not made in connection with the Civil Disobedience Movement. It was for other reasons.

Mr. S. Satyamurti: May I know what is the evidence in the possession of Government, on which they have come to the conclusion that, if he returns, he will do such things as will compel Government to take action against him?

The Honourable Sir Henry Craik: That is rather difficult to state within the compass of an answer to a supplementary question. One of the Honourable Members opposite has put down a motion for adjournment of the House on the same subject, and, if that is discussed, I hope, I shall have an opportunity of explaining in detail what evidence is in possession of Government.

Prof. N. G. Ranga: Are these vacancies advertised in the papers?

The Honourable Sir Henry Craik: I cannot say for all Departments, but I imagine this is the general rule.

Mr. T. S. Avinashilingam Chettiar: Is it the general policy of the Government, where such appointments are advertised, they are appointed by the heads of Departments or through the Public Service Commission?

The Honourable Sir Henry Craik: The Honourable Member had better put down a question. The question in its present form was so wide that it was very difficult to give one answer. The question covers all Departments of the Central Services many of which are recruited locally.

Mr. T. S. Avinashilingam Chettiar: May I have a negative answer? What appointments they are not bound to refer to the Public Service Commission?

The Honourable Sir Henry Craik: The Honourable Member had better study the rules governing the functions of the Public Service Commission.

Mr. Lalchand Navalrai: May I know if there are any appointments in the Central Government for which people are recruited without the Public Service Commission?

The Honourable Sir Henry Craik: Yes, there are some.

Mr. Lalchand Navalrai: Is there any selection board for them, or is it left to the head of the office?

The Honourable Sir Henry Craik: There, again, the Honourable Member must put down a question. There is a very large number of such appointments, and I cannot give a general answer.

Mr. T. S. Avinashilingam Chettiar: May I know whether in the case of any appointments it is incumbent upon Government to refer to the Public Service Commission, or whether it is left to the choice of Government to refer to them or not?

Mr. President (The Honourable Sir Abdur Rahim): The question is very general, and, if the Honourable Member wants information on any specific point, he had better put down a specific question. The Honourable Member is not in a position to answer all these wide questions.

PERSONS BELONGING TO MALAYA AND CEYLON IN THE SERVICE OF THE GOVERNMENT OF INDIA.

1399. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) the number of persons belonging to Malaya and Ceylon in the service of the Government of India;

(b) how many of them have been entertained after those countries have put a ban on Indians; and

(c) since the ban, what action they have taken or propose to take?

The Honourable Sir Henry Craik: (a) and (b). I regret I cannot undertake to address an enquiry on this subject to all Government offices in all parts of India as the labour and expense involved would be excessive. The only instance of the employment of such persons within my knowledge is that there are seven Ceylonese in the Indian Civil Service of whom five were appointed after Ceylon put a ban on Indians.

(c) The question of placing restrictions on the employment of natives of Ceylon and Malaya in certain services is under consideration.

Mr. T. S. Avinashilingam Chettiar: What is the exact proposal under consideration?

The Honourable Sir Henry Craik: The question of placing restrictions on the employment of natives of Ceylon and Malaya in certain services.

Mr. T. S. Avinashilingam Chettiar: What is the exact restriction which they propose to put on the employment of these people?

The Honourable Sir Henry Craik: That is under consideration.

Prof. N. G. Ranga: Is it not a fact that this question has been under the consideration of the Government of India since January and February of last year?

The Honourable Sir Henry Craik: It has been under consideration for some time, but, as far as I know, if we are going to restrict the natives of Ceylon and Malaya from sitting for the examination for the Indian Civil Service, that would involve an alteration in the Act of Parliament.

Mr. T. S. Avinashilingam Chettiar: When do they expect to come to a conclusion on this matter?

The Honourable Sir Henry Craik: I think as soon as the new Act comes into force.

BALANCE OF TRADE FOR INDIA.

1400. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) with reference to the answer given by the Honourable the Commerce Member to starred question No. 1017 of this Session, what steps they have taken to arrive at a proper balance of trade for India; and

(b) what further steps they propose to take?

The Honourable Sir Muhammad Zafrullah Khan: (a) The problem presented by the diminution of India's balance of trade in merchandise since the pre-depression period has been the subject of close examination by the Government of India who are of opinion that India's trade position is intrinsically sound. Recent statistics indicate a revival in export trade distributed over practically the whole range of India's export staples. In this connection, attention is invited to the series of press notes on the subject, which were recently issued by the Director of Public Information.

The question of India's foreign trade policy has also been examined with a view to determining whether any departure from her traditional policy of reliance on the most-favoured-nation clause is desirable in view of the altered conditions of world trade. That examination has confirmed the view of the Government of India that no change in policy is likely to benefit India. In this connection also a series of press notes has been issued.

In particular, the exchange and financial embarrassments of Germany, Italy, Turkey and Iran have reacted unfavourably on India's export trade. In the case of Germany, it was decided after careful consideration that no good purpose was likely to be served by an approach to the German Government. On the contrary, it was most likely to result in a further and permanent diminution of our export trade to Germany. In the case of the other three countries, representations have been made through the appropriate diplomatic channels with a view to securing relief from the restrictive measures which affect India's trade as well as that of other countries.

The Government of India are also in correspondence with His Majesty's Government with a view to ensuring that in the event of the imposition of quotas by the Netherlands Government India will receive a share of any global quota proportionate to her interest in the Netherlands trade.

They have also been for some time past in correspondence with the Governments of certain Dominions on the subject of the conclusion of trade agreements mutually advantageous to the contracting parties.

I may remind the Honourable Member of the existence of Indian Trade Commissioners in London, Hamburg and Milan, records of whose activities are from time to time published in the *Indian Trade Journal*. In this connection, I may mention that the Government of India have under consideration an extension of their Trade Commissioner organisation.

The Government of India have scrupulously avoided any action which might add to the restrictions on world trade, which are already in existence.

(b) The Government of India will take such further steps as from time to time may appear to be in the interest of Indian trade.

Mr. T. S. Avinashilingam Chettiar: May I know what is the present state of the balance of export trade in this country? Is it for or against this country?

The Honourable Sir Muhammad Zafrullah Khan: It is in favour of India.

Prof. N. G. Ranga: Is it then a fact that the Honourable the Commerce Member is in agreement with these press notes and that he is also opposed to the bilateral trade agreements?

The Honourable Sir Muhammad Zafrullah Khan: It is a very general question. These press notes are based on information which was in the possession of Government.

Prof. N. G. Ranga: Is it not a fact that these press notes are opposed to the bilateral trade agreements between this country and other countries?

The Honourable Sir Muhammad Zafrullah Khan: The reply which I have read out deals with this matter.

Prof. N. G. Ranga: In view of the fact that this country has to pay 50 crores of rupees every year to Great Britain, does the Honourable Member still think that the balance is in favour of India, taking that into consideration?

The Honourable Sir Muhammad Zafrullah Khan: I replied that a comparison of imports and exports shows with regard to merchandise alone that there is a favourable balance of trade.

Mr. S. Satyamurti: Does the Honourable Member realise that almost the entire favourable balance of trade is made up by the export of gold?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

Mr. S. Satyamurti: Excepting the export of gold, what is the extent of the favourable balance of trade today in favour of India, in merchandise alone?

The Honourable Sir Muhammad Zafrullah Khan: For the first 11 months, that is to say, from April, 1935, to February, 1936, 24 crores and 81 lakhs.

Mr. S. Satyamurti: How does it compare with the previous balance of trade, say, five or ten years before; *minus* the export of gold?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will specify the years and give notice, I shall supply the figures, but I believe it is likely to be in excess of last year's by about four crores.

Mr. S. Satyamurti: But, leaving the export of gold altogether out of calculations, has there not been a fall in the favourable balance of trade, taking merchandise alone?

The Honourable Sir Muhammad Zafrullah Khan: Yes, I think there has been a fall. The fall continued up to 1931-32 I think, in which year the balance of trade in merchandise alone fell to about three crores. It has been rising since.

Qazi Muhammad Ahmad Kazmi: Is this all due to improvement of world conditions, or has anything been done actively by the Government of India in this matter?

The Honourable Sir Muhammad Zafrullah Khan: That is a question of argument.

Mr. S. Satyamurti: Are Government considering the question of concluding bilateral agreements with various countries, considering the nature

of our exports and the requirements of various countries, and dealing with it solely from the point of view of improving India's favourable balance of trade?

The Honourable Sir Muhammad Zafrullah Khan: I have read out in my reply as to the correspondence and negotiations that are taking place and they certainly are solely with a view to improving the trade conditions of India.

Mr. S. Satyamurti: Have Government made up their mind against bilateral trade agreements, as these press notes indicate?

The Honourable Sir Muhammad Zafrullah Khan: It is a general question and is a matter of argument.

Mr. S. Satyamurti: May I know if the authority of Government is behind these propagandist notes which are practically arguments of a cheap kind against bilateral trade agreements?

The Honourable Sir Muhammad Zafrullah Khan: The question itself is an argument.

Mr. S. Satyamurti: I want to know whether the Government's authority is behind these press notes, or is it the propagandar of one particular gentleman? Has it the imprimatur of Government's approval?

The Honourable Sir Muhammad Zafrullah Khan: These notes give the information which is in the possession of Government. Beyond that, I refuse to argue the matter on the floor of the House in reply to a question.

PAY OFFERED TO ASSISTANT AND SUB-ASSISTANT SURGEONS APPOINTED ON THE NORTH WESTERN RAILWAY.

1401. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state if any Assistant and Sub-Assistant Surgeons were appointed on the North Western Railway between 15th July, 1931 and 1st July, 1934? If so, how many?

(b) Is it a fact that some of them were appointed on a specific scale of pay and the letters of appointment distinctly proposed to them if they would join on that specific scale of pay, without giving them to understand that it will be liable to revision?

(c) Is it a fact that the scale of pay of medical subordinates so appointed has also been revised? If so, what is the justification for doing so?

(d) Is it a fact that they have protested against such action? If so, has their grievance been redressed? If not, why not, and what do Government propose to do in the matter?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

CLEANING AND WASHING OF CARRIAGES ON THE NORTH WESTERN AND THE EAST INDIAN RAILWAYS.

1402. ***Qazi Muhammad Ahmad Kazmi:** Will Government be pleased to state:

(a) whether it is a fact that there is a sanitary department in the North Western and East Indian Railways;

(b) whether it is a fact that the cleaning and washing of carriages is carried on by staff who work under 'Train Examiners', who belong to the technical branch;

(c) whether it is a fact that the sanitary department have got no responsibility regarding the cleaning of the bath rooms and lavatories of carriages;

(d) whether they are aware that this cleaning and washing, not being under proper sanitary advice, is done rather perfunctorily; and

(e) whether they are prepared to consider the advisability of placing the cleaning and washing staff of carriages under the sanitary department? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 1402 to 1404 together.

Information has been called for and will be laid on the table of the House in due course.

SINGLE CONTROL SCHEME FOR CARRIAGES AND WAGONS STARTED ON CERTAIN RAILWAY STATIONS.

†1403. ***Qazi Muhammad Ahmad Kazmi:** Will Government be pleased to state:

(a) whether a 'single control scheme for carriages and wagons' has been started at Delhi, Meerut and Saharanpur Railway stations;

(b) whether it is a fact that the scheme has resulted in a saving of expenses; and

(c) if the answer to part (b) be in the affirmative, what is the amount of saving per annum?

SINGLE CONTROL SCHEME FOR CARRIAGES AND WAGONS STARTED ON CERTAIN RAILWAY STATIONS.

†1404. ***Qazi Muhammad Ahmad Kazmi:** (a) Is it a fact that a scheme for single control for carriages and wagons on railways was tried even before and resulted in a failure?

(b) Have Government made a survey of the causes of the failure on the previous scheme?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state those causes and to state whether they have taken steps to eliminate them in their present working?

(d) Are Government prepared to consider the advisability of extending the 'single control scheme' to other junction stations of more than one different railway? If not, why not?

† For answer to this question, *see* answer to question No. 1402.

REFUSAL OF PASSPORT TO GO TO EUROPE TO MR. VIRENDRA, MANAGING EDITOR OF THE *DAILY PRATAP*, LAHORE.

1405. ***Mr. S. Satyamurti** (on behalf of Mr. Sham Lal): Will Government be pleased to state:

(a) (i) whether Mr. Virendra, M.A., Managing Editor of the *Daily Pratap*, Lahore, applied three months ago to the Punjab Government for permission to go to Europe to study journalism;

(ii) whether he was asked to fill in an application and send it along with three photos;

(iii) whether for two months there was no reply to this application;

(iv) whether now after two months the Home Secretary to the Punjab Government has informed Mr. Virendra that no passport can be granted to him;

(v) whether they are aware that no reasons have been assigned for this refusal;

(b) the reasons for this refusal; and

(c) whether it is their policy to refuse passports for the study of journalism?

The Honourable Sir Henry Craik: (a) and (b). I have asked the Punjab Government for the facts and will give the Honourable Member a reply in due course.

(c) No.

PUBLIC AND COMMUNAL HOLIDAYS.

1406. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) the number of public holidays allowed by them;

(b) the number of communal holidays;

(c) the number of days in the year that the offices work; and

(d) the cost of a public holiday?

The Honourable Sir Henry Craik: (a) and (b). Thirteen closed holidays and six sectional (or communal) holidays are observed in the Secretariat and attached offices which move between Simla and Delhi and also the last Saturdays of summer months in which there is no closed holiday (other Saturdays being observed as half holidays). Other attached and subordinate offices follow the local practice.

(c) All days except the 13 closed holidays and Sundays are working days.

(d) I fear I cannot attempt a calculation.

REPORT OF THE WHEELER COMMITTEE.

1407. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) whether it is true that the Wheeler Committee has submitted its report;

(b) what are the terms of reference to the committee; and

(c) whether the report will be circulated to the Members of this Assembly and the matter will be allowed to be discussed in this House?

The Honourable Sir Henry Craik: (a) Yes.

(b) These were stated in a Resolution dated the 3rd October, 1935, which was published in the Gazette of India, dated the 5th October, 1935.

(c) I cannot give any undertaking to that effect.

Mr. T. S. Avinashilingam Chettiar: Since the report is in the hands of Government, I do not exactly understand what the Honourable Member means by saying that he cannot give an undertaking. The answer must be "yes or no".

The Honourable Sir Henry Craik: I mean exactly what I say. The report has only just been received by Government and has not been fully considered.

Mr. T. S. Avinashilingam Chettiar: Does it mean that it is possible that it may be placed before the Assembly?

The Honourable Sir Henry Craik: It means exactly what I say, that I cannot give an undertaking.

Qazi Muhammad Ahmad Kazmi: Will Government make up their mind after reading the report whether it is proper for them to show it to the Assembly or not?

The Honourable Sir Henry Craik: The first question upon which they have to make up their mind is whether they will publish the report at all.

Mr. S. Satyamurti: What is the cost that is likely to fall on the Indian taxpayer, if the recommendations of the committee are accepted by Government?

The Honourable Sir Henry Craik: I have not even read the report fully myself.

Mr. T. S. Avinashilingam Chettiar: Was the method of recruitment to the Secretariat one of the references to the Committee?

The Honourable Sir Henry Craik: The Honourable Member will find that, if he reads the Resolution of the 3rd October, 1935, in which the terms of reference were published.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

UNAUDITED ACCOUNTS IN THE GOVERNMENT OF INDIA.

1408. ***Mr. T. S. Avinashilingam Chettiar:** Will Government please state:

(a) whether there are any unaudited accounts in the Government of India;

(b) if so, under what departments and under what heads of the budget;

(c) the total amount of these unaudited accounts in the last audit year; and

(d) why these accounts are unaudited?

The Honourable Sir James Grigg: (a) Yes.

(b) Practically all accounts of receipts are unaudited, although some, *e.g.*, Public Works receipts, are fully audited, and some, *e.g.*, Customs and Railway receipts are test audited. Accounts of contract grants of His Excellency the Viceroy and of heads of Provinces are not audited, and accounts of secret service and similar expenditure are subjected to an administrative audit and not to the audit of the Indian Audit Department.

(c) The information cannot readily be compiled and, as the Auditor General has informed me that he is generally satisfied with the extent of the audit at present applied to the public accounts, it would not be worth while collecting the figures.

(d) The Auditor General does not audit accounts of receipts, unless required to do so by the Governor General in Council. Audit of receipts is not undertaken unless the results to be achieved are likely to justify the cost. The contract grants referred to above are given for expenditure of a semi-private nature and from their nature, *e.g.*, because of the absolute limit set to the total expenditure, are excluded from detailed audit. In some cases a certificate is obtained that the grants have been spent on the purposes for which they were granted. Secret service expenditure is removed from the scrutiny of the Indian Audit Department by statutory rule, but suitable check is applied by other methods. The practice is universal and is not confined to India.

Mr. T. S. Avinashilingam Chettiar: If I heard the Honourable Member aright, he said that the accounts of secret services and other services are not audited. What are the similar services?

The Honourable Sir James Grigg: Things which are akin in nature are secret services.

Mr. M. Ananthasayanam Ayyangar: What are the other methods by which secret services are audited?

The Honourable Sir James Grigg: Administrative methods.

Mr. M. Ananthasayanam Ayyangar: How does the Honourable Member satisfy himself that the amount has been spent?

The Honourable Sir James Grigg: In the usual way.

Mr. M. Ananthasayanam Ayyangar: May I know what is the usual way?

Mr. T. S. Avinashilingam Chettiar: May I know if all these audits are confidential?

The Honourable Sir James Grigg: If the services are secret, of course they are.

Mr. T. S. Avinashilingam Chettiar: All audits are confidential?

The Honourable Sir James Grigg: No, the results of a good many audits are furnished to the Public Accounts Committee, and they spend a whole month every year considering them.

Mr. S. Satyamurti: Is it a fact that the Military Secretary to the Viceroy has agreed to give a certificate with regard to the expenditure from contract allowances?

The Honourable Sir James Grigg: That I referred to in my answer.

Mr. S. Satyamurti: What will be the nature of the certificate?

The Honourable Sir James Grigg: That I also referred to in my answer.

Mr. S. Satyamurti: Has the certificate for last year been received?

The Honourable Sir James Grigg: I do not know.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

WORKING OF THE UNIVERSITY TRAINING CORPS.

1409. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) whether the working of the University Training Corps has been satisfactory;

(b) how many Universities have these training corps and how many do not have them;

(c) whether offers to start these corps in moffusil colleges were forthcoming in Madras, but could not be done; if so, why; and

(d) what is the amount of money spent on this now?

Mr. G. R. F. Tottenham: (a) I would refer the Honourable Member to the reply given by me on the 30th March, 1935, to part (c) of Mr. Satyamurti's starred question No. 1262

(b) Of the Universities in British India fourteen have training corps, and two have not.

(c) An application from the Andhra University is understood to have reached the Local Government recently. An earlier application from it was not accepted for financial reasons.

(d) Approximately Rs. six lakhs a year.

Prof. N. G. Ranga: Has any decision been arrived at in regard to the application of the Andhra University?

Mr. G. R. F. Tottenham: No, it is still under consideration.

Mr. T. S. Avinashilingam Chettiar: May I take it that the Military Department approached the Finance Department for a grant and it was refused?

Mr. G. R. F. Tottenham: On the previous occasion when the application was dealt with?

Mr. T. S. Avinashilingam Chettiar: Yes, Sir.

Mr. G. R. F. Tottenham: We no doubt consulted the Finance Department who gave the opinion that funds were not available.

Mr. T. S. Avinashilingam Chettiar: How many years ago?

Mr. G. R. F. Tottenham: About three or four years ago.

Mr. T. S. Avinashilingam Chettiar: In view of the fact that the financial condition of the Government of India has improved, will they consider the advisability of approaching them again?

Mr. G. R. F. Tottenham: The matter is under consideration.

Mr. S. Satyamurti: Has the Madras University approached the Government of India either directly or through the Local Government for extension of the training to some other centres?

Mr. G. R. F. Tottenham: Not yet. The matter may be under the consideration of the Madras Government.

Mr. S. Satyamurti: Is it the policy of the Government of India to encourage the University Training Corps, wherever there is a genuine demand for it?

Mr. G. R. F. Tottenham: Not altogether.

Mr. S. Satyamurti: Why not?

Mr. G. R. F. Tottenham: It must depend upon the success of the movement. It is no good encouraging something that is no use.

Mr. S. Satyamurti: Have Government come to the conclusion that the movement is not yet successful?

Mr. G. R. F. Tottenham: If the Honourable Member will refer to the reply given by me a year ago, he will find the answer to the question.

Mr. M. Ananthasayanam Ayyangar: With reference to the answer to part (a) of the question, is it a fact that differential treatment is offered to Indian students even though they are graduates and Masters of Arts?

Mr. G. R. F. Tottenham: Not that I am aware of.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member aware that members of the training corps are not allowed to mix with European regiments?

Mr. G. R. F. Tottenham: I am not aware of that. I have no reason to believe that that is so.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

COLLECTION OF INCOME-TAX ON PENSIONS AND SALARIES PAID OUTSIDE INDIA.

1410. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) the amount of salaries paid in England and other places outside India during the last financial year;

(b) the amount of pensions paid outside India;

(c) the amount of income-tax that would have been received from them if income-tax was collected;

(d) whether these pensions and salaries accrue in India for services done to the Government of India;

(e) if so, why income-tax is not collected on them;

(f) whether they are prepared to make regulations at once to collect income-tax on these pensions and salaries?

The Honourable Sir James Grigg: (a) About Rs. 3¾ crores.

(b) About Rs. 8 crores.

(c) It is not possible to calculate the amount involved.

(d) If the Honourable Member is using "accrue" in the technical sense in which that word is used in the Indian Income-tax Act, the answer is that the matter is one of legal interpretation regarding which differences of opinion exist.

(e) I would refer the Honourable Member to the reply given to part (a) of question No. 924 by Mr. Sami Venkatachelam Chetty.

(f) I would refer the Honourable Member to the replies given to supplementary questions asked on the 3rd March, 1936, in connection with question No. 924.

Prof. N. G. Ranga: Is it not a fact that a considerable number of officers who go on six months' leave to England are not made liable to pay income-tax on their salaries either on that side or here?

The Honourable Sir James Grigg: That is the whole basis of the question.

Mr. T. S. Avinashilingam Chettiar: With reference to the answer to part (d) of the question, may I know whether the legal opinion of the Law Member was taken on this matter?

The Honourable Sir James Grigg: I have not asked him.

Prof. N. G. Ranga: How much is the loss thereby incurred—by the officers going on leave?

The Honourable Sir James Grigg: I think I gave the figures in reply to the question to which I have referred.

Qazi Muhammad Ahmad Kazmi: Are Government prepared to amend the Income-tax Act in respect of the salaries?

The Honourable Sir James Grigg: An answer, so far as any answer is possible at this moment, was also given in the question to which I have referred.

Prof. N. G. Ranga: Is it not a fact that, those who live in this country, but who invest their moneys in England, do escape the payment of income-tax in this country?

The Honourable Sir James Grigg: I think that is an entirely different point. Indians who invest their money in England and remit from England to India certainly escape income-tax. I gather that an attempt was made to remedy that, but it failed.

Mr. T. S. Avinashilingam Chettiar: May I know whom they consulted for legal opinion in this matter?

The Honourable Sir James Grigg: I have not said that I consulted anybody about legal opinion. I said legal opinions differ on the matter.

Mr. T. S. Avinashilingam Chettiar: Without consultation, how does the Honourable Member know that it differs? May I know whether he consulted the Law Member?

The Honourable Sir James Grigg: The Law Member, in spite of his eminence, is not the only legal opinion that can be consulted in India.

Mr. S. Satyamurti: Whom did the Government of India consult in that matter then? Is it open to the Government of India to consult other legal opinion?

The Honourable Sir James Grigg: One of the legal opinions was that of a High Court.

Sir Cowasji Jehangir: May I ask whether the English income-tax is charged on these pensions?

The Honourable Sir James Grigg: Yes, if they are resident in England.

Sir Cowasji Jehangir: May I ask if some arrangement could not be made with the English authorities that they should get a remission of the income-tax in England if some income-tax was charged by the Indian treasury?

The Honourable Sir James Grigg: The matter is regulated by the Government of India Act: the matter is settled there once for all.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member aware that the High Court does not give legal opinion at all?

Mr. President (The Honourable Sir Abdur Rahim): But the Chair supposes legal opinion can be given by the High Courts in their decisions and such like.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member to say or are we to interpret it like that?

(No answer.)

GRANT OF OVERSEAS PASSAGES TO ANGLO-INDIANS AND EUROPEANS EMPLOYED ON RAILWAYS.

1411. *__Bhai Parma Nand:__ (a) Is it a fact that up to 1932, the Anglo-Indians and Europeans employed on the Government Railways did not enjoy the privilege of over-seas passages?

(b) Is it a fact that in 1932, Anglo-Indians and Europeans employed on the Railways were granted this privilege of over-seas passages for the first time, and if so, why?

(c) How many Anglo-Indians and Europeans have been granted over-seas passages since 1932, or the time when this privilege was given, and what expenditure has been incurred so far by the Railways on this item?

(d) Are Government aware that there is general depression all round and even the gross earnings of the Railways have been falling for the last few years?

(e) Will Government please state why this privilege of over-seas passages was granted to Europeans and Anglo-Indians, involving heavy expenditure?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

WITHDRAWAL OF THE PRIVILEGE OF FREE RAILWAY PASS FOR DEPENDENT FATHER.

1412. *__Bhai Parma Nand:__ (a) Are Government aware that on the Railways the privilege of free passage on the home line for the dependent father has been withdrawn? If so, why?

(b) Are Government aware that dependent father is part of the Indian family and are they prepared to lay down that they should be treated as such by the Railway administration?

(c) Are Government aware that the poor workmen and the lower class staff, who generally are employed on Railways far away from the homes, are very hard hit by the withdrawal of this privilege?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (c). The privilege was being allowed only on the Great Indian Peninsula Railway. Government are aware that, besides the wife and children of an employee, there are several other dependants who form part of many Indian families, but they are not prepared to agree that every dependant should be allowed a pass, as it is considered that the conditions attaching to the grant of free passes are already sufficiently liberal.

Prof. N. G. Ranga: In the category of dependants, is it or is it not a fact that the fathers of these railway servants are included?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid, the Honourable Member has not heard the reply that I have read out.

RULES FOR THE PRIVATE READING ROOM IN THE IMPERIAL LIBRARY, CALCUTTA.

1413. ***Dr. P. N. Banerjea:** (a) Are Government aware that certain rules were framed in 1935 for the Private Reading Room in the Imperial Library, Calcutta?

(b) Has the attention of Government been drawn to Rule No. 2 of the Imperial Library Private Reading Room, in which it is stated that "the Librarian shall satisfy himself about the genuineness and importance of the researches in which the applicants are already engaged or which they intend to take up"?

(c) Is it not a fact that the present Librarian of the Imperial Library claims power under Rule 2 of the Private Reading Room Rules to force the occupants of the seats in that room to show him their notes and writings?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state (i) whether the present Librarian is competent to examine these notes, and writings and (ii) whether they are aware that it is a source of considerable inconvenience and handicap to them?

Sir Girja Shankar Bajpai: (a) Yes; the rules in question were framed in 1934.

(b) Yes.

(c) Yes, but only when the period of allotment of a seat in the reading room comes to an end.

(d) The Librarian is quite competent to discharge the duty which, in this respect, the Council has imposed on him, *viz.*, to satisfy himself of the genuineness and importance of the research for which the facilities of the Private Reading Room are claimed. The answer to the second part is in the negative.

Dr. P. N. Banerjea: Is the Librarian competent to perform this task?

Sir Girja Shankar Bajpai: I have already stated that the Librarian is competent to satisfy himself of the genuineness and importance of the research for which the facilities of the Private Reading Room are claimed.

Dr. P. N. Banerjea: What are the qualifications of this Librarian?

Sir Girja Shankar Bajpai: The qualifications of the Librarian are those expected of a Librarian of a first class library. (Laughter.)

Dr. P. N. Banerjea: Is he an ordinary Pass B.A. of a University?

Mr. President (The Honourable Sir Abdur Rahim): The Chair thinks a question was put down and disallowed, because the Librarian was appointed nine or ten years ago: the question ought to have been raised then.

Dr. P. N. Banerjea: Is it not a fact that the research workers are brilliant M.A.'s and Ph.D.'s of various Universities in India?

Sir Girja Shankar Bajpai: I hope they are.

Dr. P. N. Banerjea: Even, then, does the Honourable Member think that the Librarian is competent to supervise their work?

Sir Girja Shankar Bajpai: May I ask the Honourable Member a question in return? He was a consenting party to the rules as a member of the Council which laid this obligation on the Librarian: he could have objected then.

Dr. P. N. Banerjea: I was not a member at that time.

Sir Girja Shankar Bajpai: No: on the contrary, my Honourable friend was a member of the Council from 1932 to 1935, and the rule was framed in 1934.

Dr. P. N. Banerjea: No. I was not present then. (Laughter.)

Sir Girja Shankar Bajpai: Then, I submit that my Honourable friend was guilty of a dereliction of his duty as a member of the Council.

DECREASE IN THE NUMBER OF READERS IN THE IMPERIAL LIBRARY, CALCUTTA.

1414. ***Dr. P. N. Banerjea:** Are Government aware that while in 1931-32 the number of readers in the Imperial Library, Calcutta, was 46,976, in 1934 it was 38,101? If so, do Government propose to enquire into the cause of this decrease?

Sir Girja Shankar Bajpai: The answer to the first part of the question is in the affirmative. The reason for the decrease is explained on page 2 of the Report on the Working of the Imperial Library, Calcutta, for the year 1933-34, a copy of which is available in the Library of the House.

Dr. P. N. Banerjea: Do Government consider it desirable that the popularity and the usefulness of the institution should suffer?

Sir Girja Shankar Bajpai: Subject to the functions for which the Library was brought into being, undoubtedly the Government desire that it should be popular.

Prof. N. G. Ranga: Has the fall in the number of these readers anything to do with the stipulation of this new rule that the Librarian shall satisfy himself about the genuineness and importance of the researches in which the applicants are already engaged?

Sir Girja Shankar Bajpai: Recognising the great brilliance of Calcutta, I think my Honourable friend will admit that even Calcutta cannot produce 44,000 research workers which is the number of readers admitted into the Library every year.

Mr. B. Das: In view of the falling off in the number of readers, will Government remove the Imperial Library to Delhi, or, if not, to Cuttack?

Sir Girja Shankar Bajpai: As it happens, the explanation in the Library report of the fall in numbers is that it was subject to an error in counting which, after all, is quite human.

Mr. B. Das: But why not remove it to Cuttack?

(No answer.)

COLLECTION OF BENGALI BOOKS IN THE IMPERIAL LIBRARY, CALCUTTA.

1415. ***Dr. P. N. Banerjea:** Are Government aware that in 1926—30 the collection of Bengali books in the Imperial Library at Calcutta was 2,565, while in 1930—35 it fell to 1,025? If so, what is the reason?

Sir Girja Shankar Bajpai: The total number of Bengali books in the Imperial Library approximated 16,000 in 1929-30; the number has since increased to 17,900.

Mr. M. S. Aney: Is the Honourable Member quite sure that there is mistake in the counting here?

Sir Girja Shankar Bajpai: As far as it is possible for one, who has once erred, to be sure that he would not repeat the error.

ADMINISTRATION OF THE IMPERIAL LIBRARY, CALCUTTA.

1416. ***Dr. P. N. Banerjea:** (a) Has the attention of Government been drawn to the articles and letters which have appeared in such important Calcutta newspapers as *Advance*, *Ananda Bazar* and *Forward* on the administration of the Imperial Library, Calcutta?

(b) Are Government aware that there is a strong feeling in Calcutta, as reflected in the Press articles, against the administration of the Imperial Library and the manner in which the reading public is treated by the present Librarian?

Sir Girja Shankar Bajpai: (a) Yes.

(b) No.

Dr. P. N. Banerjea: What steps are Government taking to improve the administration of the Library?

Sir Girja Shankar Bajpai: Government do not admit that there is anything wrong with the administration of the Library.

LENDING OF FICTION WORKS IN INDIAN LANGUAGES IN THE IMPERIAL LIBRARY, CALCUTTA.

1417. ***Dr. P. N. Banerjea:** Are Government aware that a new rule has been introduced in the Imperial Library at Calcutta regarding the lending of fiction works in Indian languages? If so, will Government be pleased to state why books which have been deemed worth acquiring for the library are not to be lent out and why a distinction is to be made between fiction in Indian languages and fiction in European languages?

Sir Girja Shankar Bajpai: The reply to the first part of the question is in the affirmative. As regards the second part, the question of lending out works of fiction was discussed at the last meeting of the Library Council. The Books Purchase Committee of the Library has been asked to examine the question of lending out such works in all languages and to report to the Council at its next meeting.

RULES FOR THE LENDING OUT OF BOOKS TO READERS IN THE IMPERIAL LIBRARY, CALCUTTA.

1418. ***Dr. P. N. Banerjea:** Are Government aware that there are definite rules for the lending out of books to readers requiring deposit or security? If so, will Government be pleased to state whether these rules are strictly followed in all cases?

Sir Girja Shankar Bajpai: Yes. The rules requiring deposit or security are followed as far as possible.

Qazi Muhammad Ahmad Kazmi: What is the meaning of "as far as possible"? They are not followed in certain cases?

Sir Girja Shankar Bajpai: I gather that, as a matter of concession, the members of the Library Council are exempted from the operation of the rule.

Qazi Muhammad Ahmad Kazmi: There is no question of "as far as possible" for people who are exempted under the rules. It is also carrying out the rules if they are exempted: so I ask, in the cases of people who are required to pay deposit, are there any cases in which deposit is not required?

Sir Girja Shankar Bajpai: Sir, the fact that an exemption which is given under the rule is not contrary to the rule is evident even to my mean intelligence. The point is that, without there being provision for such exemption in the rules, members of the Library Council are exempted from making a deposit, and I had made a suggestion to the Library Council that, if there was to be such exemption, it had better be by rule.

Dr. P. N. Banerjea: Is any discretion left to the Librarian at the present moment?

Sir Girja Shankar Bajpai: No; there is no discretion left to the Library: such exemptions, as have been made, are known to the Library Council and have its approval.

Dr. P. N. Banerjea: I am afraid you are wrong.

APPOINTMENTS MADE IN THE IMPERIAL LIBRARY, CALCUTTA.

1419. ***Dr. P. N. Banerjea:** (a) Will Government be pleased to lay on the table a complete list of all appointments, temporary as well as permanent, made during the last five years?

(b) Is it a fact that in several cases, preference has been given to outsiders over those who had already served in making such appointments? If so, will Government be pleased to state the reasons for taking the step?

(c) Is it a fact that appointments are made in the Imperial Library without advertising the posts? If so, why?

Sir Girja Shankar Bajpai: (a) A statement is laid on the table of the House.

(b) No; on the contrary preference is given to candidates who have worked temporarily and have given satisfaction. The latter part of the question does not arise.

(c) Vacant posts are advertised when necessary.

Statement showing the Appointments of Clerks made in the Imperial Library, Calcutta, during 1931—1935.

Year.	In leave vacancy.	Temporary.	Permanent.	Total.
1931.	4	6	..	10
1932.	1	1	..	2
1933.	2	1	..	3
1934.	3	..	1	4
1935.	2	3	2	7
Total .	12	11	3	26

Dr. P. N. Banerjea: Does not the system of appointing without advertisement lead to patronage and jobbery?

Sir Girja Shankar Bajpai: No; not necessarily.

APPOINTMENT OF A COMMITTEE TO ENQUIRE INTO THE ADMINISTRATION OF THE IMPERIAL LIBRARY, CALCUTTA.

1420. ***Dr. P. N. Banerjea:** Are Government prepared to consider the desirability of appointing a small committee to enquire into the present administration of the Imperial Library?

Sir Girja Shankar Bajpai: Government see no reason to take the action proposed by the Honourable Member.

COMPOSITION OF THE LIBRARY COUNCIL, CALCUTTA.

1421. ***Dr. P. N. Banerjea:** (a) Will Government be pleased to state the present composition of the Imperial Library Council?

(b) Is it not a fact that the Council meets only once every year?

Sir Girja Shankar Bajpai: (a) A statement showing the present composition of the Imperial Library Council is placed on the table of the House.

(b) The reply is in the affirmative.

Statement showing the composition of the Imperial Library Council.

1. Educational Commissioner with the Government of India, *Ex-officio* Chairman.

Members.

2. **The Hon'ble Mr. Justice C. Bartley, I.C.S.** } Nominated by the Government of
3. **Mr. Razaur Rahman Khan, B.L., M.L.C.** } Bengal as their representatives.
4. **Mr. Syamprasad Mookerjee, M.A., B.L., Bar.-at-Law, M.L.C.** } Nominated by the University of Calcutta
5. **Prof. Praphula Chandra Mitter, M.A., Ph.D.** } as its representatives.
6. **Dr. Wali Muhammad, M.A., Ph.D., I.E.S., Professor of Physics, Lucknow University.** } Nominated by Governor General in
7. **Mr. Sachidananda Sinha, Bar-at-Law, M.L.C., Patna.** } Council in consultation with the local
8. **Vacant**—Steps are being taken to fill the vacancy caused by the death of Dr. A. C. Woolner. } Governments, to represent interests outside Calcutta.

Dr. P. N. Banerjea: Is it a fact that these members of the Imperial Library are drawn from all parts of India—Lahore, Lucknow and Madras?

Sir Girja Shankar Bajpai: I have already informed my friend that I am laying on the table of the House a list of the members. As it happens, out of eight members, four belong to Calcutta, and only four come from the rest of India.

12 NOON.

Dr. P. N. Banerjea: If the Council meets only once during this year, is it possible for the Council to exercise any control over the administration . . . .

Mr. President (The Honourable Sir Abdur Rahim): Next question, please.

AMOUNT SPENT BY GOVERNMENT IN THE MAINTENANCE OF LIBRARIES.

1422. ***Dr. P. N. Banerjea:** Will Government be pleased to state the library policy of the Central Government and the amount spent by the Central Government in maintaining the libraries in various provinces during the last three years?

Sir Girja Shankar Bajpai: As the Honourable Member is aware, libraries are a transferred provincial subject. The Government of India maintain the Imperial Library at Calcutta and also a Library at their headquarters for official use. The cost of these two libraries, and of the Library of the Central Legislature is approximately Rs. 71,000 per annum.

SEPARATION OF THE FUNCTIONS OF THE SECRETARY OF THE COUNCIL FROM THOSE OF THE LIBRARIAN OF THE IMPERIAL LIBRARY, CALCUTTA.

1423. *Dr. P. N. Banerjea: (a) Are Government prepared to consider the desirability of transforming the Book Selection Committee of the Imperial Library Council into a managing sub-committee to which some of the powers of the Council may be delegated?

(b) Do Government propose to consider the desirability of separating the functions of the Secretary of the Council from those of the Librarian?

Sir Girja Shankar Bajpai: (a) and (b). Government see no reason to take the action suggested by the Honourable Member.

Dr. P. N. Banerjea: Would not the suggested procedure be helpful to better administration?

Sir Girja Shankar Bajpai: That, Sir, is asking for an expression of opinion.

FACILITIES TO THE EMPLOYEES OF THE RAILWAY INSTITUTES IN CERTAIN MATTERS ON THE STATE RAILWAYS.

1424. *Dr. P. N. Banerjea: Will Government be pleased to state whether the employees of the Railway Institute are given equal facilities as regards leave, pass, provident fund and quarters in all State Railways? If not, will Government be pleased to state the reasons for making any distinction?

The Honourable Sir Muhammad Zafrullah Khan: I have called for information and shall lay a reply on the table of the House in due course.

UNSTARRED QUESTIONS AND ANSWERS.

DISTINCTION BETWEEN INDIANS AND EUROPEANS IN ORDNANCE FACTORIES.

431. Mr. Ghanshiam Singh Gupta: (a) What are the considerations which have prompted Government to make a distinction between Indians and Europeans doing the same class of work in Ordnance Factories with regard to pay, allowances, promotion, deputations, etc.?

(b) Is it a fact that only Europeans, either recruited in England or in India, get Rs. 75 and also a children's education allowance over and above their pay?

(c) Are similar allowances given in any other Government Department? If so, are they equally applicable in cases of locally recruited Europeans?

(d) Is it a fact that a new scale of reduced pay has been recently introduced for *Indians* only? If so, why?

(e) Are there two different scales of pay (apart from overseas allowance) for Indians and Europeans, respectively, in any Government Department?

(f) In how many cases during the last five years were Europeans locally recruited? Was any attempt made before their appointment, to recruit suitable Indians, either through the Public Service Commission or open advertisement? If not, why not?

Mr. G. R. F. Tottenham: Enquiries are being made and a reply will be laid on the table in due course.

DUTY ON VARIOUS STYLES AND SHAPES OF GARMENTS MADE OF COTTON KNITTED FABRICS.

432. Seth Haji Abdoola Haroon: (a) Is it a fact that various styles and shapes of garments made of cotton knitted fabric are assessed duty at various rates, for example, cotton undershirts and cotton knitted fabric are assessed to duty, respectively, at 25 per cent., or 12 annas per pound, and 50 per cent. or 12 annas per pound, while cotton sport shirts, made of cotton knitted fabric, are assessed to duty as apparel at 35 per cent.?

(b) Is it a fact that under item 49 of the Indian Customs Tariff, several articles have been named, and the duty on them is fixed thus 'The *ad valorem* rates of duty applicable to the fabric of the article is wholly or mainly made'?

(c) Is it a fact that under item 52 of the Indian Customs Tariff, several types of articles are passed as apparel at 35 per cent. duty, which is much lower than that paid by the fabric of which they are made; for example, cotton knitted fabrics are charged duty at 50 per cent. or 12 annas per pound, whichever is higher, while cotton sport shirts made of cotton knitted fabric are charged duty at 35 per cent. only, and cotton piece goods, cotton shirts, and cotton handkerchiefs from Japan are charged duty at 50 per cent., while children's frocks and several other types of garments, made of cotton piecegoods, are charged 35 per cent. duty only under item 52?

(d) Are Government aware that on account of this arrangement work is lost to thousands of tailors in India?

The Honourable Sir Muhammad Zafrullah Khan: (a), (b) and (c). Yes, if by "cotton undershirts" the Honourable Member means "cotton undervests".

(d) Government have no reason to believe that the fact is as stated by the Honourable Member.

REDUCTION OF TAX ON THE FARRUKHNAGAR SALT.

433. Mr. Sham Lal: (a) Will Government please state whether the salt manufactured in Farrukhnagar, District Gurgaon, is inferior to Sambhar salt?

(b) Is it practically of the same kind as saltpetre?

(c) Is it only used for dyeing and tanning the leather and also for consumption by cattle and is unfit for human use?

(d) Are Government aware that the tax on Farrukhnagar salt is the same as on Sambhar salt?

(e) Are Government aware that the tax on saltpetre is less by Re. 1 per maund?

(f) Are Government aware that the manufacture of salt in Farrukhnagar has stopped, the whole salt industry has been ruined, the lands are lying useless, people have been thrown out of work, and the population of Farrukhnagar has gone down from 15,000 to 5,000?

(g) Are Government prepared to reduce the Farrukhnagar salt tax to the level of the tax on saltpetre?

Mr. A. H. Lloyd: (a) No salt is manufactured in Farrukhnagar now. When it was manufactured, it was slightly inferior to the Sambhar salt.

(b) No.

(c) No. It was quite fit for human consumption.

(d) Yes.

(e) The tax on ordinary salt is Rs. 1-9-0 (including surcharge) while that on salt educed in the refining of saltpetre is eight annas a maund.

(f) The answer to the first nineteen words is in the affirmative. Government have no information in regard to the latter part.

(g) No.

SUCCESSFUL *EX*-APPRENTICE MECHANICS OF THE EAST INDIAN RAILWAY TECHNICAL SCHOOL.

434. **Mr. Amarendra Nath Chattopadhyaya:** (a) Are Government aware that the answer given in reply to starred question No. 256 of 11th February, 1936, is not correct and that it is not a fact that all the successful *ex*-apprentice mechanics of the East Indian Railway Technical school have been appointed in the chargeman T. T. grade but some of them have been appointed on lower grade and that they are kept on that grade for years together?

(b) Are Government aware that all the successful *ex*-apprentice mechanics who have been appointed in Jamalpore Workshop have been given chargeman T. T. or its equivalent grade, but in other workshops which are under the one and the same head, *i.e.*, Chief Mechanical Engineer, East Indian Railway, all the successful *ex*-apprentice mechanics are not given the chargeman T. T. or its equivalent grade?

(c) Are Government aware that according to the prospectus of the East Indian Railway Technical School, Jamalpore, all *ex*-apprentice mechanics should be appointed on chargeman T. T. grade?

(d) If the answer to part (b) above be in the affirmative, will Government please state:

(i) the reasons for such difference although they were trained under the one and the same head and in the same technical school; and

(ii) why, in spite of the repeated assurance given, the procedure of appointing *ex*-apprentice mechanics on chargeman T. T. grade is adopted in all workshops which are under the Chief Mechanical Engineer, East Indian Railway?

(e) Will Government please state whether, in view of the answers to starred questions Nos. 296 (b) and (c), 471 (d), and 256 (a) of the 10th September, 1929, 5th March, 1930 and 11th February, 1936, respectively, they are prepared to take necessary steps to put those successful *ex*-apprentice mechanics who have been appointed on lower grade to chargeman T. T. grade and issue necessary orders to the Agent, East Indian Railway to this effect? If not, why not?

(f) If the answer to part (a) above be in the negative, will Government please enquire whether all the *ex*-apprentice mechanics have not been appointed in chargeman T. T. grade and take necessary steps? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 434 and 435 together.

I am collecting information and will lay a reply on the table of the House, in due course.

SUCCESSFUL *EX*-APPRENTICES OF THE LILLOOAH WORKSHOPS.

†435. **Mr. Amarendra Nath Chattopadhyaya:** Are Government aware that the answer given in reply to starred question No. 252 (a) of the 11th February, 1936, regarding the successful mechanical *ex*-apprentices of the Lillooah Workshops is not correct and that it is not a fact that they are temporarily promoted to a higher grade but that they are promoted against permanent vacancies first in officiating capacities and afterwards confirmed in those posts?

STATE RAILWAY EMPLOYEES GOVERNED BY THE FUNDAMENTAL AND SUPPLEMENTARY RULES.

436. **Mr. Muhammad Azhar Ali:** (a) Will Government be pleased to state whether it is a fact that Fundamental Rules have been made by the Secretary of State for India under section 96-B of the Government of India Act?

(b) Is it a fact that Supplementary Rules are made by the Governor General of India in Council in exercise of the powers conferred upon him by the Fundamental Rules?

(c) Is it a fact that State Railway employees appointed after the promulgation of Fundamental and Supplementary Rules are governed by the said rules?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Yes.

(c) To the extent that they are not superseded or modified by rules made by the Governor General in Council for railway servants, under the Railway Classification Rules, and the directions thereunder.

MILEAGE ALLOWANCE PAID TO THE RUNNING STAFF ON STATE RAILWAYS.

437. **Mr. Muhammad Azhar Ali:** (a) Is it a fact that mileage allowance paid to the running staff on State Railways is a kind of travelling allowance under Supplementary Rule 21 (c)?

(b) Is it a fact that mileage allowance paid to the running staff on State Railways is the same as defined in Supplementary Rule 29?

† For answer to this question, *see* answer to question No. 1434.

(c) Is it a fact that under certain conditions permanent travelling allowance (consolidated allowance) can be changed to mileage allowance as per Supplementary Rule 68?

(d) Is it a fact that mileage allowance under Fundamental Rule 9 (21) (a) (iii) has been classed as pay?

(e) If the reply to part (d) be in the negative, under what Fundamental Rule is it defined as pay and on what grounds is it treated for leave salary and is also subject to assessment?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). No.

(c) Yes, but this mileage allowance is quite different from the mileage allowance referred to in parts (a) and (b).

(d) No.

(e) Mileage allowance granted to certain classes of staff on State Railways is not classified as pay under the Fundamental Rules, but it has for a long time been taken into account up to a certain maximum, in the calculation for determining leave salary. As regards assessment by which I presume he means assessment to income-tax, I would refer the Honourable Member to the Income-tax Act and the rules thereunder.

SCALES OF PAY OF THE TRAVELLING TICKET EXAMINERS AND INSPECTORS ON THE NORTH WESTERN AND EAST INDIAN RAILWAYS.

438. **Mr. Muhammad Azhar Ali:** (a) Is it a fact that the following were the substantive scales of pay in respect of the Travelling Ticket Examiners of the North Western Railway before 1st June, 1931:

Rs. 50—5—95,

Rs. 100—10—180,

Rs. 190—10—210?

(b) Is it a fact that on the East Indian Railway the substantive scales of pay of the Travelling Ticket Inspectors before 1st June, 1931, were as under:

Rs. 60—4—64—8—120,

Rs. 130—10—200,

Rs. 220—20—300?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 438 to 442 together.

I would invite the Honourable Member's attention to my reply to Qazi Muhammad Ahmad Kazmi's starred question No. 832 asked on the floor of this House on the 26th February, 1936.

TRAVELLING TICKET EXAMINERS AND INSPECTORS ON THE NORTH WESTERN AND EAST INDIAN RAILWAYS.

†439. **Mr. Muhammad Azhar Ali:** (a) Is it a fact that the post of Travelling Ticket Examiners on the North Western Railway and the Travelling Ticket Inspectors of the East Indian Railway were abolished on and from

† For answer to this question, *see* answer to question No. 438.

1st June, 1931 as admitted in reply to starred question No. 849 (b), dated the 18th March, 1932, and starred question No. 229 (d), dated the 12th February, 1932, replied on the 16th October, 1932?

(b) Is it a fact that the Travelling Ticket Examiners of the North Western Railway and the East Indian Railway were brought on to new scales of pay from 1st June, 1931? If so, why?

TRAVELLING TICKET EXAMINERS AND INSPECTORS ON THE NORTH WESTERN AND EAST INDIAN RAILWAYS.

†440. **Mr. Muhammad Azhar Ali:** (a) Is it a fact that the East Indian Railway Travelling Ticket Inspectors were restored to their substantive scales of pay as per Railway Board letter No. 822-E. G., dated the 22nd December, 1932, and the following orders were passed by the Railway Board:

> "They are allowed the option of 'retaining the scale of pay applicable to the permanent post held by him in a substantive capacity, prior to the introduction of the Moody-Ward scheme (*i.e.*, 1st June, 1931), with the benefits of increments therein'."?

(b) Is it a fact that the North Western Railway Travelling Ticket Examiners were later on granted this concession, as per Railway Board letter No. 822-E. G., dated the 16th August, 1933, in the following terms:

> "Special Ticket Examiners, who prior to the 1st June, 1931, held permanent posts as Travelling Ticket Examiners in a substantive capacity were granted the option of retaining the old scale of pay."

(*Vide* reply to starred question No. 742 (a), dated the 26th September, 1935)?

(c) Will Government please state whether it is a fact that as per the above decision of the Railway Board, the North Western Railway employees have been allowed to get grade advancement from Rs. 95 to Rs. 180 and Rs. 180 to Rs. 210?

(d) Is it a fact that the East Indian Railway employees have not been given this privilege and are blocked on Rs. 120 and Rs. 200 unlike their colleagues on the North Western Railway?

(e) Will an old Travelling Ticket Examiner, who was in the grade of Rs. 50—5—95 before 1st June, 1931, now get an advancement to the grade of Rs. 100—10—180 and later on get an advancement into the next grade of Rs. 190—10—200?

(f) What is the technical difference in regard to the orders of grade advancement in respect of the East Indian and North Western Railway staff as contained in Railway Board letters No. 822-E.G., dated the 22nd December, 1932 and the 13th August, 1933?

(g) Is it a fact that the intention of the Railway Board was to treat the East Indian Railway and North Western Railway staff in a different manner in regard to their grade advancement according to their old grades?

TRAVELLING TICKET EXAMINERS AND INSPECTORS ON THE NORTH WESTERN AND EAST INDIAN RAILWAYS.

†441. **Mr. Muhammad Azhar Ali:** (a) Is it a fact that East Indian Railway Travelling Ticket Inspectors and North Western Railway Travelling Ticket Examiners were in receipt of mileage allowance before 1st June, 1931?

† For answer to this question, *see* answer to question No. 438.

(b) Is it a fact that they have been allowed the same rates of consolidated allowance in lieu of mileage with effect from December 1932?

(c) Is it a fact that the policy of Government in respect of the old Travelling Ticket Inspectors of East Indian Railway and the old Travelling Ticket Examiners of North Western Railway was to treat them in a similar manner in respect of:

(i) abolition of mileage allowance from the same date;

(ii) grant of enhanced rates of consolidated allowance from the same date and at the same rates; and

(iii) restoration of substantive scales of pay which they were drawing before 1st June, 1931?

(d) Is it a fact that this policy of Government is adumbrated in Railway Board letter No. 822-E. G., dated the 13th August, 1933, in the following terms?

" . . . . but, having regard to the concessions granted in somewhat similar circumstances to similar staff on other State-managed Railways . . . . "

CONSOLIDATED TRAVELLING ALLOWANCES GRANTED TO TRAVELLING OR SPECIAL TICKET EXAMINERS ON STATE RAILWAYS.

†442. **Mr. Muhammad Azar Ali:** Will Government please state administration-wise:

(a) the extent of the appropriation of the sanctioned grants on the cost of staff during the preceding three years, on State Railways;

(b) the extent of economy effected by the abolition of the posts of the Travelling Ticket Collectors, Examiners, or Inspectors on the State Railways;

(c) the extent of economy effected by the creation of the posts of Travelling or Special Ticket Examiners on State Railways;

(d) the extent of the savings effected by the abolition of the mileage allowance privilege hitherto granted to the Travelling Ticket Collectors, Examiners, or Inspectors on the State Railways;

(e) the extent of the savings effected by the creation of the monthly consolidated travelling allowances granted to the Travelling or Special Ticket Examiners on the State Railways; and

(f) the justification the Railway Board had in pursuance of the said policy?

ABSCONDING OF RAILWAY AND GOVERNMENT SERVANTS FROM SERVICE.

443. **Mr. Muhammad Azhar Ali:** (a) Will Government please state the procedure adopted before and after a Government servant of the central services is declared as having absconded from the service?

(b) Will Government please state the procedure adopted on State Railways for declaring a Government servant as having absconded from the service?

† For answer to this question, *see* answer to question No. 438.

(c) Will Government please state the rule made under section 92-B of the Government of India Act under which a Railway servant is liable to be declared as having absconded from the service?

(d) Will Government please state the authority competent on State Railways to declare a Railway servant as having absconded from the service?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

HOURS OF EMPLOYMENT OF THE TERMINAL TAX STAFF UNDER THE NEW DELHI, DELHI, NOTIFIED AREAS OF CIVIL LINES AND SHAHDARA MUNICIPAL COMMITTEES.

444. **Mr. Muhammad Azhar Ali:** Will Government please state the hours of employment of the terminal tax staff employed under the New Delhi, Delhi, Notified Areas of Civil Lines and Shahdara Municipal Committees?

Sir Girja Shankar Bajpai: The information has been called for and will be furnished to the House as soon as possible.

SANITATION OF SHAHDARA, DELHI.

445. **Mr. Muhammad Azhar Ali:** (a) Will Government please state the dates on which the Director of Public Health, Delhi Province, visited the Notified Areas of Delhi Shahdara during 1935-36 and to lay on the table the reports submitted by him of his inspections?

(b) Is it a fact that the sanitary, hygienic and other conditions of health of the population of Delhi-Shahdara are looked to by the Government of India Health Commissioner? If not, by whom is it done, and what are his duties towards the health of the said population?

(c) Are Government aware that vegetables, fruits and other eatables are sold in the market unprotected from insects or flies in the bazar of Delhi Shahdara and there is no official deputed by the Health Department to look to or take interest in the conditions of health of the population?

(d) Are Government aware that the drainage system on both sides of the Railway lines within the Notified Area of the Delhi Shahdara Committee is full of filth and breeding grounds for mosquitoes?

(e) Are Government aware that the ponds, full of filth and dirty water, are never looked to by the Notified Area Committee of Delhi Shahdara, and that these are injurious to the health of the people residing there?

(f) What action has been taken by Government as regards the sanitation of Delhi Shahdara especially in respect of those who are residing between the Railway lines and Grand Trunk Road?

Sir Girja Shankar Bajpai: The information has been called for and will be furnished to the House as soon as possible.

WATER SUPPLY AT SHAHDARA, DELHI.

446. **Mr. Muhammad Azhar Ali:** (a) What action has been taken by Government against the hard water supply to the population of Delhi Shahdara?

(b) Is it a fact that the hard water supply told upon the population of Delhi Shahdara? If not, will Government please state the vital statistics of Delhi Shahdara for the preceding five years?

Sir Girja Shankar Bajpai: The information has been called for and will be furnished to the House as soon as possible.

PAY AND GRADE OF TRAVELLING TICKET INSPECTORS.

447. **Mr. Muhammad Azhar Ali:** Is it a fact that on the 1st January, 1925, the pay and grade with the strength in each grade of the Travelling Ticket Inspectors under the Audit and Accounts Department was as under, and that in addition mileage allowance earned per 100 miles run with a train was classed as pay?

	East Indian Railway (Company managed).			Oudh and Rohilkhand Railway (State managed).	
			Rs.		Rs.
1.	Head Travelling Ticket Inspector	(3)	220—20—300	(2)	220—20—300.
2.	Travelling Ticket Inspector	(18)	130—10—200	(2)	170—10—200.
3.	Do.	(40)	64—4—64—5—123	(3)	130—10—160.
4.	Do.	..	..	(7)	88—8—120.
5.	Do.	..	..	(20)	40—4—64—5—120.
6.	Luggage Inspectors	..	..	(2)	115—10—146.
7.	Do.	..	..	(8)	80—5—110.

If so, will Government please state:

(a) what was the pay and grade and the strength in each grade on the 1st July, 1925, 31st May, 1931, 30th June, 1931, 1st January, 1933 and 1st March, 1936, and, if there are no figures, how estimates of the working expenses were made;

(b) the notification affecting any change over of the system or of the cadre;

(c) the system (permanent under the Accounts known as Travelling Ticket Inspectors as well as under the Traffic known as Ticket Collectors or temporary under the Traffic known as Crew) abolished from 1st June, 1931;

(d) the notification laying down the terms and conditions and procedure of creation and abolition of posts; and

(e) the rule under which a permanent system is abolished in preference to a temporary system and the policy in respect thereof?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 447 and 448 together.

I would invite the Honourable Member's attention to my reply to Qazi Muhammad Ahmad Kazmi's starred question No. 832 asked on the floor of this House on the 26th February, 1936.

PAY AND GRADE OF THE TICKET CHECKING STAFF.

448. **Mr. Muhammad Azhar Ali:** Is it a fact that on the 5th January, 1928, the pay and grade of the ticket checking system in 1925 was as under?

	East Indian Railway (Company managed).			Oudh and Rohilkhand Railway.	
			Rs.		Rs.
1.	Head Ticket Collector	(1)	250—10—300	(1)	200—10—250.
2.	Do.	(3)	180—10—230	..	..
3.	Lady Ticket Collector	(17)	75—5—125	..	..
4.	Ticket Collector	(35)	70—5—120	(4)	78—3—90.
5.	Do.	(2)	75—5—110	(19)	55—3—70.
6.	Do.	(46)	65—5—90	(84)	28—2—50.
7.	Do.	(121)	40—4—60	..	..
8.	Do.	(64)	22—1—32	..	..

If so, will Government please state:

(a) what was the pay and grade, as well as the strength in each grade, on 1st July, 1925, 1st January, 1928, 1st November, 1928, 1st January, 1929, 31st May, 1931, 1st June, 1931, 1st January, 1932, 1st January 1933, and 1st March, 1936; and if there are no figures, how estimates of the working expenses were made;

(b) the notifications under which the said pay and posts were brought under reduction;

(c) how the staff holding posts were disposed of on reduction;

(d) the reasons for reduction, and whether the continuous duties of the same nature were performed on 1st June, 1931, 1st January, 1933 and on 1st March, 1936; and

(e) the extent of reduction in the nature of duty of the posts transferred from the old system to the new system?

GRANT OF CONSOLIDATED ALLOWANCES TO NON-GAZETTED STAFF ON STATE RAILWAYS.

449. **Mr. Muhammad Azhar Ali:** (a) Will Government be pleased to state if it is a fact that consolidated allowance is given in lieu of all other forms of travelling allowances admissible to non-gazetted staff on State Railways?

(b) Is it a fact that it is calculated on a monthly basis and, unlike daily allowance, an employee receiving consolidated allowance cannot draw any other allowance?

(c) What is the ratio between consolidated allowance and daily allowance?

† For answer to this question, *see* answer to question No. 447.

Mr. P. R. Rau: (a) and (b). I would refer the Honourable Member to Supplementary Rules 22 and 23.

(c) The principle on which a permanent travelling allowance is fixed is that the amount sanctioned should not exceed the average amount which would be drawn during the year under the ordinary travelling allowance rules.

COMMUNAL COMPOSITION OF CERTAIN POSTS.

450. **Seth Haji Abdoola Haroon:** (a) Will Government please state the total number of posts of (i) Additional Deputy Directors General, (ii) Chief Superintendents, (iii) Sectional Superintendents, (iv) Assistants, First Division clerks, and (v) Second Division clerks?

(b) Will Government please state separately for each cadre how many of the posts stated in part (a) above are held by (i) Hindus, (ii) Muslims, (iii) Christians, (iv) Sikhs, and (v) other communities?

The Honourable Sir Frank Noyce: (a) and (b). The Honourable Member presumably refers to the office of the Director General of Posts and Telegraphs. A statement giving the required information is laid on the table.

Statement showing the communal composition of the staff of Assistant Deputy Directors General, Chief Superintendent, Superintendent, Assistants and 2nd Division clerks of the office of the Director General of Posts and Telegraphs.

	Assistant Deputy Directors General.	Chief Superintendent.	Sectional Superintendents.	Assistants (first division clerks).	Second Division clerks.
Hindus	4	1	12	61	47
Muslims	1	..	..	6	15
Christians	3	..	..	..	2
Sikhs	..	..	..	..	1
Other communities	..	..	..	..	..
Total	8*	1	12	67	65

* Including 2 temporary posts of Assistant Deputy Directors General and 1 of the Personal Assistant to the Director General.

PEONS IN THE LAHORE GENERAL TELEGRAPH OFFICE.

451. **Seth Haji Abdoola Haroon:** Will Government please state:

(a) the total number of task work peons employed in the Lahore General Telegraph Office on 1st February, 1936;

(b) the total number of Muslim task work peons employed in the Lahore General Telegraph Office on 1st February, 1936; and

(c) the total number of permanent and officiating vacancies filled in since 4th July, 1934, the date of issue of revised orders regarding recruitment, and the number of such vacancies given to Muslims?

The Honourable Sir Frank Noyce: (a) 36.

(b) Nil.

(c) One permanent and 23 officiating vacancies occurred, all of which were filled by promotion. Muslims have been employed in five officiating vacancies.

SHORT NOTICE QUESTION AND ANSWER.

LAW FOR THE RESTRICTION OF TRADES TO IRAQIS.

Mr. S. Satyamurti: Will Government be pleased to state:

(a) whether the new law restricting trades to Iraqis in Iraq has now been passed and published;

(b) whether the law provides for a measure of reciprocity;

(c) when the Regulations under Article II are expected to be made;

(d) whether these Regulations will give, in the enforcement of the law, reciprocity to Indians in Iraq;

(e) whether there are any assurances forthcoming to the effect that these Regulations will not operate harshly or unfairly against Indians already practising particular trades in Iraq;

(f) whether they propose to take steps under Article 3 (b) of the law; and

(g) whether the treatment of Indian officials in Iraq is different from the treatment of British or other officials?

Sir Aubrey Metcalfe: (a) Yes.

(b) A copy of the new law is laid on the table. It provides that the Iraqi Government may issue Regulations permitting on the basis of reciprocal treatment, the practice of all or certain trades by the subjects of States which permit in their territories the practice of such trades by Iraqi subjects.

(c) It is expected that Regulations under Article 2 will not be made until autumn 1936.

(d) The Regulations issued under Article 2 will presumably take into account the terms of Article 3, which I have already given to the House in answer to part (b) of this question; but the manner in which this will be done cannot at present be forecast.

(e) The Honourable Member's attention is invited to the statement which I made on the 4th February, in replying to an adjournment motion on this subject. I then stated that there was every reason to believe that the Iraq Government would not take any action which would seriously disturb Indians now living and working in Iraq.

(f) The Honourable Member's meaning is not clear. The Government of India cannot obviously take any steps under a law passed by the Iraq Legislature.

(g) No. Between 1920 and 1931, 711 British officials left Iraqi service and in 1933, 22 such officials left, in 1934, 32 and in 1935, 10. The few who remain are all specialists such as doctors, engineers, judges and the like.

Law for the Restriction of Trades to 'Iraqis.

Article 1.—Non-'Iraqis are prohibited from practising the trades and occupations mentioned below, in accordance with the provisions of this law.

(*a*) Printing, photography, exhibition of cinematographic films, black-smithery, hair-dressing, carpentry, masonary, tailoring, gold and silver smithery, weaving, singing, dancing, transport of all kinds local and national, loading and unloading of goods, lighting, heating, water supply, permanent, employment in motor car steam-engine, and vehicle driving, manufacture of cigarettes, sidaras, hats or shoes, working in restaurants or bakeries, employment in any other places as a labourer or watchman, and service in any undertakings or establishments such as hotels, clubs, baths, coffee-shops, warehouses, liquor bars, and places of entertainment, and such other vocations or trades as may be determined from time to time by Special Regulations.

(*b*) A foreigner shall not act as a salesman in a shop or as a peddler in the streets or engage in brokerage.

Article 2.—The Government may issue a Regulation classifying the trades and occupations mentioned in Article 1, limiting the periods within which non-'Iraqis may not practice such trades and defining shops covered by the provisions of Clause (b) of Article 1. They may also specify the refugees who are entitled to engage in the said trades and occupations in accordance with a special regulation.

Article 3.—(*a*) The Government may issue a regulation permitting a foreigner to practise certain trades and occupations specified in Article 1, or, in the Regulations that may be issued in accordance with Article 2, in the event of such trades and occupations requiring experience, or being in need of improvement, development or special skill and of there being no 'Iraqis able to perform them, provided that such permission shall be for a period to be determined in regulations.

(*b*) They may also issue regulations permitting, on the basis of reciprocal treatment, the practice of all or certain trades by the subjects of States which permit in their territories the practice of such trades by 'Iraqi subjects.

Article 4.—Foreigners employed in the manner set out below are exempted from the provisions of this law and the regulation to be issued in accordance with Article 2:

1. In undertakings provided for in conventions concluded with companies or covered by special treaties or agreements.

2. In employment in Foreign Embassies, Legations and Consulates.

3. In private domestic service.

Article 5.—(*a*) Whoever employes a foreigner in contravention of the provisions of this law or of the regulations issued under it shall be punished by a fine not exceeding I. D. 100 or by imprisonment for a term not exceeding 6 months, or by both penalties.

(*b*) Any foreigner contravening the provisions of this law, or the regulations which may be issued in accordance with it, will be deported at once under the procedure specified by the Residence Law.

Article 6.—This law shall come into force with effect from the date of its publication in the Government Gazette.

Article 7.—The Minister of Interior is charged with the execution of this law.

Mr. S. Satyamurti: With reference to the answer to part (f) of the question, I am sorry for the misunderstanding created on the mind of the Honourable the Foreign Secretary,—may I put it this way, Sir,—I want to know whether they propose to take any steps to persuade the Iraq Government under that article?

Sir Aubrey Metcalfe: What does the Honourable Member mean by "they"? Does he mean the Government of India or the Iraq Government?

Mr. S. Satyamurti: I mean whether the Government of India will persuade the Iraq Government through the recognised diplomatic channels.

Sir Aubrey Metcalfe: They have already taken all possible steps in that direction. But this article has been already included in the law, and the House may be quite sure that His Majesty's ambassador in Baghdad will pursue this matter as far as he can.

Mr. S. Satyamurti: May I take it, then, Sir, that, in the intervening period, every step will be taken to ensure adequate protection to Indians, already engaged in trades and professions in Iraq?

Sir Aubrey Metcalfe: Certainly, every possible step will be taken, short of pressure which would obviously be injudicious.

MOTIONS FOR ADJOURNMENT.

LEGISLATION FOR REPUBLICATION IN THE PRESS OF SPEECHES DELIVERED IN THE LEGISLATIVE ASSEMBLY.

Mr. President (The Honourable Sir Abdur Rahim): Order, order. I have received a notice of motion for adjournment of the business of the House, in order to discuss a matter of urgent public importance, namely:

"The unsatisfactory reply of the Honourable the Leader of the House to a question of Sardar Sant Singh regarding the introduction of necessary legislation for republication of the speeches of Honourable Members of this House in the press."

I understand the Honourable Member wants the law to be amended, is that so?

Sardar Sant Singh (West Punjab: Sikh): Yes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Which law?

Sardar Sant Singh: The Press law and the law of defamation as it is enforced in India.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member mean the common law?

Sardar Sant Singh: Yes, the common law as given in the Indian Penal Code. Sir, after you were pleased to give your ruling telling us what the present state of the law is as regards the republication in the press of the speeches of Honourable Members of this House, I wanted to know from the Government whether they were inclined to introduce legislation by which the republication of the speech of a Member of this House could not be taken notice of by the executive Government of any province by demanding security or forfeiting security already deposited by

[Sardar Sant Singh.]

a newspaper, and, secondly, to amend the law of libel, as it exists at present in the country, in such a way that a speech, if made without any malice on the floor of the House, and, if published without malice, should be regarded as granting a privilege to the Member. The reply given to this question by the Honourable the Leader of the House . . .

Mr. President (The Honourable Sir Abdur Rahim): The House knows the reply.

Sardar Sant Singh: These are the two points on which I want legislation.

Mr. President (The Honourable Sir Abdur Rahim): If an Honourable Member of this House wants legislation, is that a matter for a motion for adjournment of the House?

Sardar Sant Singh: The motion for adjournment is . . .

Mr. President (The Honourable Sir Abdur Rahim): There are probably many Honourable Members in this House who would like to have legislation on particular subjects in a particular way. Would that be a good subject for a motion for adjournment of the House?

Sardar Sant Singh: My submission is, that as regards ordinary legislation affecting general subjects, it is open to Government or to any non-official Member of this House to bring in legislation subject to the rules and Standing Orders which govern the business of this House, but, in regard to the privileges of Members of this House, the matter stands on an entirely different footing . . . .

Mr. President (The Honourable Sir Abdur Rahim): I do not want any argument at this stage. I want to know the Honourable Member's reasons.

Sardar Sant Singh: My submission is that this is as much a business of the Members of the Government as it is of the non-official Members of this House to introduce legislation affecting the privileges of the Members of this House, as there is no legislation on the subject already, though, so far it was taken for granted that such legislation existed. It is incompatible with the functions of this House, as you, Sir, so ably pointed out the other day in your ruling, that such a legislation should be wanting. This legislation stands on an entirely different footing from the ordinary legislation, and, therefore, the motion for adjournment can be discussed with a view to censuring the Government for their failure to introduce such legislation so far.

The Honourable Sir Nripendra Sircar (Leader of the House): I submit that this is not a matter for discussion, under the rules, by an adjournment of the House.

An Honourable Member: Why not?

The Honourable Sir Nripendra Sircar: I am going to explain to the President and to the House why not. (Laughter.) The position is this. My Honourable friend, Sardar Sant Singh, put it on the ground that the privileges given to the Members should be extended by legislation. First of all, the point of your own ruling—I am not going to read it—is you did not accept the contention of my Honourable friend, Mr. Jinnah, that section 67 is not exhaustive, and then you came to the conclusion that the right has to be found under that section, and I need not say what that right is. Under the Government of India Act, section 65, this Legislature has no power, unless expressly so authorised by Act of Parliament—it is wanting in this case—to make any law repealing—there is no question of repealing here—or affecting any Act of Parliament, passed after the year one thousand eight hundred and sixty. Therefore, whereas, section 67 restricts the right of freedom of speech to a particular thing, if you extend it by legislation, as my Honourable friend, Sardar Sant Singh, wants the Government to do, then it is outside the power of this Legislature to affect section 67 and to enlarge it. Secondly, my point is this, is this a specific and urgent matter within the meaning of this rule? There is nothing to prevent Sardar Sant Singh or any other Member of the House from moving a resolution for discussing this; there is nothing to prevent him from introducing a Bill if such a Bill is within the power of this Legislature; and, surely, because a certain legislation has not been introduced, therefore the business of this House is to be interrupted. You will find some Member or other saying—for instance, my Honourable friend, Mr. Joshi, is always complaining that we are not introducing health insurance schemes or presenting money to labourers, and things of that sort, but we cannot have an adjournment of the House over that.

Mr. President (The Honourable Sir Abdur Rahim): I have no hesitation in disallowing this motion. If a motion for adjournment could be moved for a purpose of this character, the result would be that any Honourable Member, who wants any legislation to be effected, has only to move for an adjournment of the House, with the consequence that the proceedings of this House would be frequently obstructed. I find also from the report of the Parliamentary Debates, 1918, Vol. 108, July 8th—July 26, at page 1889, the Speaker says:

> "I have been looking further into the question, and have come to the conclusion that I could not accept a Motion to move the Adjournment of the House in order to call attention to the fact that the Government have not produced a particular Bill in which it is possible that a group of forty Members or more might be interested, because, if I were to do so, it would open a door which might be pushed at by any group of forty Members on almost any day in the Session, and if any group of Members desired to raise a particular topic in which they were interested all they would have to do would be to move the Adjournment of the House in order to discuss that particular topic. I am sure that the Rule was never meant to apply in that way."

There is also the other point raised by the Honourable the Leader of the House that this entails an amendment of the Government of India Act, which it is not competent for this Legislature to do. I, therefore, disallow the motion.

BAN ON MR. SUBASH CHANDRA BOSE.

Mr. President (The Honourable Sir Abdur Rahim): There is another motion in the name of Pandit Nilakantha Das. The Honourable Member

[Mr. President.]

wants to move a motion for the adjournment of the House to discuss the following matter of urgent public importance, namely:

"The decision of the Government of India conveyed to Mr. Subash Chandra Bose through the British Consul at Vienna to the effect that Mr. Bose could not expect to remain at liberty if he returns to India."

Does the Honourable Member wish to move this motion?

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Yes.

Mr. President (The Honourable Sir Abdur Rahim): Is there any objection?

The Honourable Sir Henry Craik (Home Member): No.

Mr. President (The Honourable Sir Abdur Rahim): The motion will be taken up at 4 o'clock.

THE INDIAN COMPANIES (AMENDMENT) BILL.

The Honourable Sir Nripendra Sircar (Law Member): Sir, I move for leave to introduce a Bill further to amend the Indian Companies Act, 1913, for certain purposes.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to amend the Indian Companies Act, 1913, for certain purposes."

The motion was adopted.

The Honourable Sir Nripendra Sircar: Sir, I introduce the Bill.

THE INDIAN TARIFF (AMENDMENT) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934, for certain purposes.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934, for certain purposes."

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I introduce the Bill.

THE INDIAN RAILWAYS (AMENDMENT) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill further to amend the Indian Railways Act, 1890, for certain purposes.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to amend the Indian Railways Act, 1890, for certain purposes."

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I introduce the Bill.

THE INDIAN FINANCE BILL—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the Finance Bill. The following amendment moved by Dr. P. N. Banerjea is under discussion:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head '*Postcards*' the following be substituted :

'Single	Six pies.
Reply	One anna '."

Sir Darcy Lindsay (Bengal: European): May I ask my Honourable friend, Sir Frank Noyce, whether he proposes to continue the useful practice introduced last year of reprinting the speech he made on the Department of Posts and Telegraphs, and issuing that reprint to the Members of the House?

The Honourable Sir Frank Noyce (Member for Industries and Labour): I am very glad to hear from my Honourable friend that the reprint has been found useful, and I need hardly assure him in that case that I shall be very pleased to continue last year's practice.

Mr. C. N. Muthuranga Mudaliar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I rise to support the amendment moved by my Honourable friend, Dr. Banerjea, for the reduction of rates for postcards from nine pies to six pies. This is the one item on which all people, specially the poor villagers, are keen on having reduced rates. Having regard to the fact that the postal rates were enhanced to meet an emergency it is up to the Government to reduce the rates now because there is a large surplus. Sir, in order to get the reduction in postcards, our Party decided not to move any of our amendments on the cover, though the gesture made by the Finance Member in this respect is not of far reaching benefit. The Honourable the Finance Member said the other day that it would cost half a crore of rupees if the postcard was reduced from nine pies to six pies.

Perhaps the Honourable Member has not calculated the increased sales of postcards consequent on the reduction in price. Even assuming his figures to be correct, even after taking the increased sales into consideration even then it is worth doing. The Honourable Member has now credited a sum of about three crores to the revenue reserve fund. A part of it might be utilised for this purpose, and the balance may go to the revenue reserve fund. In 1926-27, the then Finance Member similarly transferred

[Mr. J. Ramsay Scott.]

If the Department now issued a half anna postcard and no increase of postings took place, the revenue would be only 1,34 lakhs, and there would be a loss of 66 lakhs, but if there were to be an increase of 10 per cent., and it is reasonable to expect this, the loss would be, as the Honourable the Finance Member has said, about 50 lakhs, and, if we allow for a still greater increase in the next two years, it would take at least three years before the leeway was made up.

The Honourable the Finance Member has shewn us that the Posts and Telegraphs Department has just reached equilibrium again, and is, in fact, now once again on a dividend-paying basis. The first dividend has just been paid in the return of the one tola letter to the one anna basis. There has, however, been a rather ingenious manipulation, so that what is lost on the swings is regained on the roundabouts, and I congratulate the Postal Department on getting away with it so easily. This so-called dividend is said to cost about 13 lakhs, which leaves only two lakhs, so that a half anna postcard would leave a debit of 48 lakhs at the end of 1936-37 and probably about 25 lakhs at the end of 1937-38, and a balanced budget could not be reached again before at least the end of 1938-39.

If the recovery of the finances of India continues, you may say that the importance of a balanced budget is of less importance and less imperative, but I would point out that we are still faced with yearly increments of wages which call for about 12 lakhs yearly, and increased contributions for retrenched staff, and an increase of about seven lakhs for railways for the carrying of mails.

If the Posts and Telegraphs Department were not committed to the increased cost of about 80 lakhs a year, the half anna postcard would seem to be a very reasonable demand.

The British Post Office is often quoted as an example, so I would say that although the British Post Office made profits of over 13 crores a year, it has not yet seen fit to reduce the one penny postcard to a halfpenny. I would like to say that my Group have every sympathy with this amendment, but we consider that it is not, as I have shewn, within the possibilities of sound finance.

I should like to acknowledge a debt of gratitude to Mr. Bewoor and the late Sir Thomas Ryan for the better results achieved, and I advisedly say gratitude, for one definition of that word is "A lively sense of favours to come". (Laughter.)

The position of the Posts and Telegraphs Department, as shewn by the Honourable the Finance Member, is better or looks better than it has done for many a year, but I would venture to suggest that the improvement is more apparent than real.

This year receipts are expected to be 11·50 crores or about 17 lakhs better than budget expectations, while expenditure taking interest into consideration will be two lakhs less. The net result is an improvement of 19 lakhs. For 1936-37 the estimated receipts are expected to be 11·88 crores or 38 lakhs more, but I would point out that this is only an estimated figure. This increase is only based on the supposition that, because there was a large increase this year, there will be a further big increase next year. The optimism shewn by the Honourable the Finance Member is hardly in keeping with the sound finance principles enumerated elsewhere.

Expenses, however, are estimated at 11·98 crores or an increase of 29 lakhs, and it is estimated that the Department will end the year with a credit balance of 15 lakhs. The depreciation figure has been fixed at 25 lakhs for a period of five years which helps the expenditure figure to the extent of about four lakhs yearly.

Interest in 1935-36 has come down to 80 lakhs owing to the better borrowing position of Government, but there seems to be no improvement expected for 1936-37.

The increase of expenditure by 29 lakhs is a cause for very real anxiety, and further economies must be effected. Sir, I should like to draw your attention to the report of the Posts and Telegraphs Department of 1934-35. This report is by the officials of the Department itself, and I propose to give you a few extracts in the exact words of the officials themselves:

"It will be noticed that the growth of expenditure on staff employed in post offices has far exceeded the growth of traffic. We consider that there is urgent necessity for cutting down working expenses.

The total number of postal articles dealt with in 1913-14 was 1040 millions while in 1932-33 the numbers were 1118 millions. The staff had however increased from 96,286 to 1,24,534. The pay bill had gone up from 118¾ lakhs to 542 lakhs."

My comments are that traffic increased by 7½ per cent., staff by 30 per cent., and wages by treble.

The second extract starts:

"We are told by a responsible officer of a department that there is admittedly scope for reduction in establishment but that it is impossible to effect any reduction as a large majority of the staff is said to be incompetent due mainly to the system whereby members of the clerical establishment earn their annual increment as a matter of course which leave little or no incentive to the really competent men to show their work."

Thirdly:

"The Financial Adviser states that the department is losing heavily on account of the expensive operations involved in the handling of registered letters and pacrels."

Fourthly, with regard to Accounts.

"The structure of the system is simple but there is room for expediting the process of compilation and urgent necessity for the elimination of some of the checks and counter-checks."

I would ask Government what steps they are taking to get rid of the incompetent and give the really good men a chance?

Why should not operations be less expensive and simple, and why should there be so many checks and counter checks?

Surely, the general public have a right to ask for the maximum of efficiency comparative with the maximum of economy.

Is it not time that the Posts and Telegraphs Department put its house in order or is it the policy of Government throughout *"Laissez Faire"*?

One last word. Most post offices are dirty, dusty and dark, and I cannot understand how you can expect good work from your staff under existing conditions.

An Honourable Member: The question may now be put.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I listened to the speech of the last speaker with great attention and a certain degree of interest. It was some relief to me that the subject had his sympathy, though he could not extend his support to it. Sir, on a similar occasion, when the present President of the Council of State expressed his sympathy with a certain motion that was moved by the Honourable Mr. Gokhale and said that he had his sympathy, but he could not extend his support to him, Mr. Gokhale said that it was no good having empty expressions of sympathy, and that what they cared for was support and that futile expressions of sympathy were of no use.

Sir, so far as the present motion goes, the last speaker has dittoed what the Honourable Member for Industries and Labour said the other day. I want to analyse his statement and that of the Honourable Member in charge of the Department. I believe that, even judged in the light of the principle laid down by them, there is no justification for this three pice postcard today. Sir, it has been urged that the Postal Department is a commercial department, and, as such, it must pay its bill. I do not know what a commercial department would have done if it had not been in charge of the Government holding a monopoly in similar circumstances; when prices went down by about 50 per cent. when wages went down appreciably, this commercial department raised the value for their services in the matter of the postcard by about 50 per cent. That is perversion of commercial principles, that when prices and wages went down by 50 per cent., the value of services rendered should have been raised by 50 per cent. I wonder if any commercial firm in the world could adopt such an attitude and yet retain its business. But let us go further and see whether even this principle justifies the attitude of the Government. Sir, the reality is this: that the postcard is being made to pay for the benefit of gentlemen of the class of which the thriving representatives of industry sitting on those Benches are the best specimens. I think it is known to everybody that the Telegraph Department has been working at a loss for years and years. If you look at the figures, you will find that in 1933-34, the loss on the working of the Telegraph Department was about 40 lakhs, the exact figure being 38 lakhs and 96 thousands. Again, if you look at the revised figures for 1935-36, you will find that the Telegraph Department worked at a loss of about 34 lakhs, and, even in the budget year, the Telegraph Department is expected to earn a deficit of 41 lakhs. The Postal Department, on the other hand, has been working at a profit, the surplus according to the revised figures for the current year is calculated at 23 lakhs, and that for the next year has been put down at 17 lakhs, besides nine lakhs appropriated for capital purposes out of the revenues. So, what we find is this that again the poor man is being fleeced in order to fatten the rich. That is the real and hard truth in spite of the crocodile tears that are so often shed in this House for the poor in India. You might be remembering, Sir, that a disproportionate and a heavy burden was laid on the postcard even initially; while the surcharges did not exceed 25 per cent., generally, in no case did they come up to 50 per cent., excepting that of the postcard, the price of which was raised from two pice to three pice. Strange as it may look, though in 1933-34 the Postal Department had been working at a heavy loss and the Telegraph Department in a heavier, the Honourable Member in charge came forward to make certain concessions in favour of those who care more for the telegrams than for the postcards, with the result that the charges for telegrams

were reduced from 13 annas to nine annas. There was another class which was more needy still and which could not afford to pay the enhanced rates and on that account the postal charges on letters for the United Kingdom were reduced! That is what happened in 1933-34, and that at a time when the Telegraph Department in particular was working at a loss. It is working at a loss even now. Why is this principle of equilibrium in charges and receipts not applied? Why are the rates on telegrams not raised in order to make the Telegraph Department self-supporting (Hear, hear), and why is the benefit withheld that is due to the poorer classes in the Postal Department in order to make up the deficit in the Telegraph Department?

As Honourable Members are aware, it is a standing complaint that the allocation of the receipts and expenses between the Telegraph Department and the Postal Department has never been equitable and just with the result that the real deficit in the working of the Telegraph Department is much bigger than the figures actually show. How subtly and how cleverly do Government manipulate their figures when they want to do a thing? In 1933-34, they had made up their mind to give some relief to telegrams. So they reduced the depreciation charge from 36 lakhs to nine lakhs and now they have again raised it to 25 lakhs. The only reason why the depreciation contribution was reduced from 36 lakhs to nine lakhs was to narrow down the extent of deficit in the Telegraph Department in order to make out a sort of a plausible case for the concession made in favour of telegrams. They can lightly play with the figures and juggle with them, and they can flippantly quote the Vedas or refer to handy pamphlets by their own propagandists ignoring standard books like Dadhabai Naoroji's "Poverty and un-British Rule in India", Digby's "Prosperous India", Mr. Ramsay Macdonald's "India" or Mrs. Besant's "New India", and numerous others like these.

Sir, the poorer classes make greater use of postcards as the richer do of the telegraph office. If you want to make a scientific principle of a commercial department working at par, so that the expenses may be covered by the receipts, first of all you must improve and remedy the rotten state that prevails in the Telegraph Department, and you must deal, first of all, with your telegraph revenue and reduce the cost or raise up the charges for telegrams, so that the working expenses may be covered by the receipts. But, that is not, after all, a convenient thing to do, and, as the poor are benefiting thereby, the Honourable Member considers that this virtual subvention from the Postal Department to the Telegraph Department is not open to any objection. He forgets that the Postal Department had been, in fact, making contributions from year to year to the general revenues of the country for several decades till this depression set in, and, if it were to draw upon the general revenues for a little while for the benefit of the poor, it would only be getting back what is due to it. It is not only in the interests of equity, justice and fair dealing that the postcard should be valued at two pice, but it is in the interests of the Government themselves that they should do so. I think no one can deny that the law of diminishing returns has set in seriously in the matter of postcards. If Honourable Members will refer to the diagrams that are given in the report of the Postal Department, they will find that the number of letters has gone up considerably and that, even between 1933-34 and 1934-35, there was an increase, if I am not mistaken, of about 50 million in the matter of letters, but in the case of postcards, there is

[Pandit Govind Ballabh Pant.]

still a downward tendency, with the result that the number of postcards used even in 1934-35 was more than five million less than that in the previous year.

Mr. G. V. Bewoor (Director General, Posts and Telegraphs): That does not prove the Honourable Member's statement. . . .

Pandit Govind Ballabh Pant: I am not giving way. The Honourable Member has no right to interrupt me now. I do not think anything that I am saying will prove anything to the satisfaction of Honourable Members opposite.

The Honourable Sir James Grigg (Finance Member): And *vice versa.*

Pandit Govind Ballabh Pant: I am not labouring under any delusion. But at least others will be satisfied and the world will know how great and how earnest and how sincere is their solicitude for the poor which is so pathetically portrayed on the floor of this House from time to time, and how well they have demonstrated it by giving relief, first of all, to the services themselves as soon as the revenue showed a little tendency towards recovery, and then to those who have recourse to telegrams, and then to those whose interests are not restricted to this country alone, but, being men of cosmopolitan culture, who have to keep cultural contacts with the world at large. Sir, further we find that the number of letters sent in the year 1934-35 was, in fact, greater than in any year since 1931-32, while, in the case of the postcards, there is a rapid decline down the steep grade year by year up to this day. And you will please also take note of another factor which is this. When, in 1933-34, certain concessions were made in the matter of letters, there was an increase in the receipts of no less than 47 lakhs, and the number of letters went up at a jump by several millions. My friends calculate a deficit in the matter of the postcard on the assumption that, in spite of the reduction in price, the number will remain stationary.

Mr. G. V. Bewoor: No, Sir.

Pandit Govind Ballabh Pant: Then they perhaps calculate an increase which is much less than one would reasonably expect. In the case of letters, when they introduced that half-tola-one-anna letter, they thought that it would result in material loss. But we know—and Mr. Mitchell accepted in the other House—that in fact it resulted in a profit. So, Sir, I believe that if this postcard is reduced to two pice, the number will considerably increase, with the result that the actual deficit will be much less than that estimated by the Department.

Then, Sir, what about this theory of impropriety of any subventions for Departments like this? May I know why there is a subvention for the Broadcasting Department? Is that in any way on a different plane from the Postal Department? Why is there the air mail subsidy of several lakhs a year? I am not giving exact figures, but the air mail touches the poor and their interests must be safeguarded by Government, and that is the reason why the air mail should get a subsidy! That is the reason why broadcasting should get a subsidy; because these poor

men have absolutely no amusements, no pastimes, no life which is in any way above that of a dreary animal lost in drudgery. So, in order to entertain the poor, the broadcasting service should be run by the State. And we know that they have no political motive behind it!

Sir, the budgetary position, so far as revenue is concerned, of the Posts and Telegraphs Department today, is better by more than a crore than what it was two years ago. During the interval of last two years, the revenue of the Posts and Telegraphs Department has increased by 1,02 lakhs. If, in spite of this phenomenal increase in revenue, it is not possible to reduce the rate in the matter of the postcard, I wonder when the day of the millennium will be reached when the postcard will have some luck in this House. Sir, if an increase of 1,02 lakhs within the short span of two years cannot enable Government to give any relief to the man who uses the postcard then I wonder if Government will ever be able to spare anything out of postal revenue for the benefit of the poor. Sir, I do not expect any response from the gentlemen opposite, but I expect this much at least that they will hereafter give up their pathetic professions of sympathy for the poor.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I rise to intervene in this debate to show that, according to the Finance Member, I pose as a champion of the poor. Simply to prove that statement, I should like to say a few words. For the last several years, this House has passed, we may say, two Resolutions, for after all they are merely advisory. One was, relief to the poor with regard to income-tax, which at least has been accepted; and the other was, some relief to the poor by way of reduction in the cost of the postcard. Sir, I am perfectly aware of the fact that the Posts and Telegraphs Department is a commercial department. The definition of a commercial department, as far as I understand it, is a department that should make no profit, but at the same time, while giving every facility to all classes of people in this country, should make no loss. That is not always easy to do. It does happen sometimes that there is a loss of a few lakhs and sometimes there is a profit of a few lakhs. But the general principle is that there should be neither profit nor loss, and, at the same time, the Department should do its best to serve all classes. That is the general principle of a commercial department as we understand it with regard to Posts and Telegraphs.

Now, Sir, it must be admitted that if we are to ask for a reduction in the postcard, there is likely to be a loss, and that is said to be about 50 lakhs. I do not think there is anybody in this House, even including the Honourable Member in charge or the Director-General of Posts and Telegraphs, who can definitely say what that loss will be. It is an assumption, and that figure is arrived at to the best of their ability, and I will take it at the figure of 50 lakhs. Now, Sir, we are told that it is not right to give this Department a subvention, but may I ask this one simple question? If this House, by a very large majority of the elected Members, desire to give certain facilities to the people of this country which cannot be done without a certain inroad into our revenues, why are we wrong in demanding that that inroad into our general revenue should be made in order to supply the facility we desire? If the Posts and Telegraphs Department were a limited company, run by a Board of Directors, with a monopoly, and the management of that

1 P.M.

[Sir Cowasji Jehangir.]

company said "we cannot possibly afford to reduce the cost of the postcard", what would this side of the House say? It would have two alternatives before it; one is to continue the price of the postcard or to ask the company "what subvention can we give you in order that you make both ends meet and reduce the cost of the postcard?" The company would mention a figure, and then we would say "we shall meet your wishes to get the facility we desire". I place the commercial department of Government, the Posts and Telegraphs, in exactly the same position, and I say, "we ask you what subvention you require for the next year, or, say for the next two or three years, till you see how your budget reacts to this change". You say "Rs. 50 lakhs." We are prepared to give that subvention to this commercial department for the next two or three years, and we shall judge after two or three years whether that subvention should be continued. We may be in the position of finding that no subvention is required and then we shall continue the rate of the postcard at the lower rate of six pies without a subvention. It will be open for this House and for Government to consider the position two or three years hence.

The next point is whether we can afford to give this subvention of Rs. 50 lakhs to this commercial department. Mr. President, that is going back to an old story. The Finance Member says "No, we cannot". We say he can. He shows surpluses which are earmarked. We may not quite agree with him as to the ways and methods in which he has earmarked these surpluses. I am not going into that story, but this House has shown that there is a saving in revenue of Rs. 78 lakhs—going back again to the old story of Quetta—and we consider that at least Rs. 50 lakhs out of that Rs. 78 lakhs should be used for the purpose of giving this relief.

I would just like to come to the main question—the crux of the question. Is this a relief to the poor? I am no authority on this subject. I really do not know what percentage of the postcards is used by the rural population of this country, what percentage is used by the middle classes and what by the commercial houses, but the Honourable Member in charge of the Department said that in his opinion 60 to 75 per cent. of the postcards is being used by the agricultural classes.

The Honourable Sir Frank Noyce: I gave 60 to 75 per cent. as a very rough estimate, but I do not think there can be the smallest doubt, and I think the House will agree that it is perfectly obvious that the urban population uses more postcards per head than the rural population.

Sir Cowasji Jehangir: But still about 60 to 75 per cent. is used by the rural population. I readily admit and take it for granted that, per head, the relief is insignificant. But, after all, it is some direct relief, and the House has been asking for it for some years.

There is another argument to which I desire to draw the Honourable Member's special attention, and that is that it looks to me as if the demand for postcards is going to be considerably reduced in future unless you bring down its cost. The reason for it is that you have now got a-tola-an-anna letter. That means to say that you can send a letter—

ordinary note paper and ordinary envelope—for one anna, while a postcard is still going to cost you nine pies. The difference between an anna and nine pies is not very much.

The Honourable Sir Frank Noyce: A matter of indifference apparently to the rural population!

Sir Cowasji Jehangir: No, that is perfectly true; but I would ask the Honourable Member to consider the point whether the other 25 to 40 per cent.—the non-agricultural classes who use these postcards—will use the postcard or will they write the letter if the difference is only going to be three pies? What about them? It looks to me that, by reducing the letter to one anna per tola, you will affect the circulation of your postcards.

Sir Darcy Lindsay: You will increase the revenue.

Sir Cowasji Jehangir: How will you increase the revenue?

Sir Darcy Lindsay: By the extra pice that you get.

Sir Cowasji Jehangir: That has already been taken into calculation. Your postcard revenue will be reduced while your letter revenue will not be increased to that extent. I think that is a question worthy of consideration, leaving aside the question of postcards of half an anna on its merits.

Now, we have been accused of manoeuvring, and guesses have been made as to how we are going to manoeuvre. I think Honourable Members, who utilise their time in the amusing reflections of how manoeuvring is to take place, will continue to guess, while we on this side are able to put our finger on the manoeuvring that has taken place. At any rate, there is no manoeuvring in this. It is a straightforward demand and a demand reiterated year after year—that the cost of postcards should be reduced. We have shown that we can make a saving in the general budget of Rs. 78 lakhs. We desire that that should be effected and Rs. 50 lakhs utilised as a subvention.

Now, let me touch upon a personal point. I know—and no body knows better than myself—the great interest which the Honourable Member in charge of this Department has taken in his work and in this Department in particular during the last few years. (Applause.) May I say that, of all his subjects as a Member of Government, perhaps the Postal Department is his pet child. Now, I would be the last in this Honourable House to hurt his feelings or to discourage him during the year or two that he remains with us from taking the same paternal interest in this great Department of Government; and the argument that he brought forward that this subvention might discourage the Department from further effort was one that I listened to with considerable regret. We give this subvention willingly; we give this subvention not because he, the Director-General and the whole of his Department have not done their very best: we give this subvention in order to help him to give a further facility to the people of this country. We give this subvention willingly, readily and with the hope which I feel confident will be fulfilled, that in two years' time he will not require this subvention, and he will be able to tell us that the revenues of the Department have risen, that further economies have been effected to make good this loss of 50 lakhs

[Sir Cowasji Jehangir.]

Therefore, I take this subvention, not as a recurring charge on our revenues, but just as any subvention given to any limited company which cannot do without a subvention from Government. That is how I look at it, and I hope and trust that the Honourable Member will not take it—I am sure this House will pass this motion—as a discouragement, but as a sign of appreciation on the part of this House for the work done by the Postal Department and its earnest desire that that work shall go further to meet with the convenience and the wishes of the people of India.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, ...

Mr. President (The Honourable Sir Abdur Rahim): Perhaps the Honourable Member had better begin after lunch . . . .

Mr. M. A. Jinnah: I will not be very long: if you give me about ten minutes, that will be enough. Sir, I do not want to go into the details at all. I want only to point out that this is not really a vote of censure. This is an amendment to the Bill, and, therefore, I do not think we need feel in any way that we are wounding or hurting the feelings of the Honourable Member in charge of the Department, or the Department itself. It is purely an amendment to the Bill, and, I am sure, that the Honourable Member understands that perfectly well . . . .

The Honourable Sir Frank Noyce: I should like to explain to my Honourable friend that there is no question of my feelings in this matter—none whatever. I am as much open to attack as any other Member of this House on whichever side he may sit.

Mr. M. A. Jinnah: I was only making it more clear, if possible, that this is not a vote of censure on the Government. Therefore, really we can discuss this in the best interests of those to whom we want to give relief, if we can. Now, the Honourable Member in charge has said, quoting my words, when I was speaking about the salt tax, that there will be no substantial relief given to the poor if you make this reduction in the price of the postcard. Well, I say with very great respect that I cannot agree with him there. I have given a little thought to this matter, and I have not the slightest doubt in my mind that, not only there will be a substantial relief to the poor, but it will be so direct and so definite that there can be no question at all about it The poor man goes to the post office; instead of paying nine pies, he pays six pies: straightaway three pies remain in his pocket. As regards salt, when I expressed my difficulties and my doubts whether such a small relief as could possibly be given would actually reach the consumer of salt, my doubt was to a certain extent based on the ground that there is the middleman. Therefore, it filters down through various channels before it reaches the man to whom we want to give relief. But, in the case of the postcard, it is direct and definite relief.

Then, the Honourable Member admits that 60 to 75 per cent. of the people using postcards are really of the poor class. It is a very big number—not a small number; and if this relief can be given, then it should be given. Now, let us see whether that relief could be given. That is the next question. The Honourable the Finance Member no doubt has prepared his budget, and he has brought here definite proposals. But I am quite sure that between the Honourable the Finance Member and my friend, Sir Frank Noyce, if they put their heads together, they will find the money somehow from out of these very budget proposals. I do not wish to suggest that they should do this or they should do that. It has been suggested by various speakers, but I am quite sure that in this case the wholesome proverb might be followed- where there is a will, there is a way; and if the two Honourable Members in charge of these two Departments put their heads together, they can do it. As regards this loss of 50 lakhs, we do not know yet definitely—it is merely an estimate; but it has been suggested that the reduction in the price from nine pies to six pies would increase the number of postcards that will be used. To that extent it is possible that the revenue of the post offices may be compensated to a certain extent. It is very difficult to say how much it will be—it may be five lakhs or it may be ten lakhs; but at present it is in the dark. But surely there is one definite opinion that, if you follow the advice of this House and reduce the rates, there is the definite opinion that that will increase the use of postcards, and, to that extent, your revenue will increase. That is one factor.

The other factor is—and I think the Honourable Member mentioned it himself—that we shall be in the throes of elections in this year; and, taking the least number of candidates that will stand, if you put it down at the rate of Rs. 100 per candidate . . .

An Honourable Member: Much more.

Mr. M. A. Jinnah: I say that will be the least, then it will come to Rs. 60 lakhs. The number of candidates that will stand will be more than six thousand. Taking the total number of the seats which are available all over India, and taking four candidates for each seat, it will come to about that . . . . .

Honourable Members: Much more than that:

Mr. M. A. Jinnah: I am taking the least . . . . .

An Honourable Member: 10,000.

Mr. M. A. Jinnah: There, again, I am not in a position to say what extra profit or gain it will bring to the post office, but it is certainly a factor which must bring some substantial revenue to the post office. (Interruption.) I think I said that each candidate would have to spend Rs. 100: I am sorry if I made a mistake—but I meant that each candidate will spend at least a thousand rupees on postage.

Mr. G. V. Bewoor: On postage alone?

Mr. M. A. Jinnah: Yes, on postage alone. I can give my Honourable friend my own account. On mere postcards, in my election,—I have never done anything more than merely sending a postcard and a reply card: and, even with the number of voters being only 4,000 to 5,000, my costs on postage in connection with the election came to about Rs. 300 to Rs. 400—on postage alone, and that is, mind you, five thousand voters. The number of voters we shall have to approach now will be much greater . . . . .

Mr. G. V. Bewoor: Most of them won't be able to read.

Mr. M. A. Jinnah: Now, the Honourable Member is going back on his old game. I am surprised. I was trying to persuade the Government with reasons. The Honourable Member's interruption is merely to put me off the point. I can meet that also, but not on this occasion. On this occasion, I want to reason with you, and please listen to my reason. I am only putting before you a factor. I am not now saying that so many lakhs you will lose or so many lakhs you will get, but I am putting before you a factor that will bring some gain to the Postal Department this year.

Then, Sir, the next thing is this. It is also possible, and I want the Honourable Member to consider this, that the separation of Burma is sure as far as I can see, not this year, but the following year, and the loss which we are suffering now will not be there after the separation of Burma takes place. Therefore, Sir, I do appeal to the Government that this is a matter on which they ought to meet the wishes of this House. Sir, I hope that they will not take it into their heads that, because we have made so many cuts, and, therefore, whether it is a good one or a bad one, whether it is supported by a definite strength or not, they must apply the bludgeon clause and certify the whole lot. I have made it quite clear, Sir, that we reduced the executive grant to Re. 1 on the principle of refusal of supplies. That does not mean that I was trying to re-adjust or re-model the budget. It is purely a constitutional question based on constitutional principles. We have cut down the military grant by four lakhs, but that again was not done to re-adjust or re-model the budget, but it was done with a view to expressing our dissatisfaction and condemnation of the military policy as a whole. Therefore, Sir, when we come to the realm of budget and the Finance Bill, all that we have done is that we have passed a vote that the expenditure of Quetta should be transferred from revenue to capital. That is one thing we have done. The second thing we are going to do now is to reduce the price of the postcard. These are the two things that the House has decided with regard to your budgetary proposals. Now, I ask the Government, through you, Sir, whether they think that our proposals are so unreasonable. Do they think they are so monstrous that they ought to be certified? The other day, I said that the Government had not met this House on any first class issue. I don't put this under the category of a first class issue. I don't. I make it quite clear, but this is also a very important matter on which administrative action is required on the part of the Government. This is in your hands, that is to say, in the hands of the Executive Council, and not in the hands of the Government of India, as I defined it. It is entirely in the hands of the Executive Council. Are you going to meet us? Are you going to show that you are amenable to reason and that you do meet the wishes of this House, and that this House can influence you? It is for you to decide and show it.

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

The Assembly re-assembled after Lunch at a Quarter to Three of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I rise to support this amendment.

You would be surprised to see that the third class passenger has reared his head once again under this commercial department as the postcard. The rate of the postcard from two pice to three pice was raised as an emergency measure. The emergency cuts in salaries have been restored, but the original price of the postcard has not been restored. The income-tax and super-tax surcharges have been removed to some extent, but no relief has been given under this head. Surpluses have accrued, but they have been frittered away and they have not been used for the purpose of reducing the price of the postcard. Again and again, even last year, the reduction was passed, but it has been thrown to the winds. The Honourable Member for Industries and Labour, in his speech the other day, said that this is a commercial concern, and, as such, it must be worked as a business proposition. Evidently, he means that he must make both ends meet in this business. I am essentially opposed to too great an attachment to this principle. The Resolution that was passed in the year 1925-26 has been thoroughly misunderstood by the Honourable Member in charge of this Department. Sir, there is no justification for the Government taking up this concern unless it be for the purpose of serving the public. It is not a means of direct taxation as income-tax. In various countries, monopolies have been created for the purpose of augmenting the revenues; for instance, in France, there is the tobacco monopoly, and in this country the production of salt is a monopoly. It cannot be said that this Department is worked on that basis. It is not likely now or in the near future that it will add to the general exchequer even by a pie, it has not done so till now, and there is absolutely no chance that there will be any addition in the near or remote future. Therefore, the working of this department by the Government is only justified on the ground that it is a public utility service and nothing more. This Department must be worked so as to give the maximum benefit to the people. It is not a question of rupees, annas and pies; even at the cost of some additional expense from the general exchequer it should work for the maximum benefit of the poor. If it is a purely commercial concern as the Member from the European Group just said, I would say, let the Government abandon this department and give it away to contractors, at the head of which the Honourable Member from the European Group will stand as the person who will run the department from end to end and take contracts for postal mails, making a huge profit. But that is not the way in which we must look at it. It ought not to be judged by the amount of money you will get, and there is no chance that there will be an addition of even a pie to the general coffers.

Let us assume that it is a commercial concern. Has every effort been made for the purpose of working it properly as a pure business proposition? Has the Member exhausted all other remedies? No. I would say that year after year wherever there was a rise in receipts there has been a greater rise in the expenditure. This year you will see that the expected rise in revenue is 21 lakhs, but already they have budgeted for an increase in expenditure of 29 lakhs. This is not a casual item. I find from the reports that year after year the Honourable Member or his predecessor was prone to this disease. As early as the very next year after this Resolution was passed in 1925-26, you will find that when one rupee was the increase in income, Rs. 10 was the increase in expenditure, not that I say that the proportion is exactly the same, but what I say generally fits in into the figures for the several years. From the Administration Report, I find that in the year 1926-27 the increase in income

[Mr. M. Ananthasayanam Ayyangar.]

was 31 lakhs, while the increase in expenditure was 50 lakhs. The next year it was 29 lakhs and 60 lakhs respectively. In the next year it was 20 lakhs and 48 lakhs and in the year 1929-30 it was 25 lakhs and 34 lakhs respectively. Year after year when the increase in income was small amount, the increase in expenditure was much larger, nearly twice as much as the increase in income. Then we come to the depression period from 1930-31. Naturally the income went down by 51 lakhs, but the expenditure increased by 19 lakhs, with the result that in all there was 70 lakhs additional expenditure. 1931-32 and 1932-33 were cut years, there was a loss of revenue by 13 lakhs in the one year and 9 lakhs in the other; on account of the cut, there was no doubt a decrease in expenditure, one year was 52 lakhs, and the other 61 lakhs. Those are exceptional periods and exceptional remedies were adopted. But what I notice generally is that in anticipation of even a small increase in income, the budget is prepared for a higher expenditure, and the Member in charge has no hesitation or compunction in coming before the House and saying, here is the expenditure, so don't ask us to reduce the price of the postcard even by a small fraction. Thus, this year, that is, 1936-37 the income is expected to rise by 25 lakhs and the expenditure is already higher by 29 lakhs. Last year, there was a net increase of revenue of 6 lakhs, but this year, on account of the increased expenditure it is expected to be only 2 lakhs. I would, therefore, submit that this department has not been worked as a commercial concern at all. No attempt has been made to make it work just like a commercial concern. Supposing this is a commercial concern, I would ask whether all efforts have been made to reduce or retrench the personnel wherever it is possible and cut down the salaries. The Oxford English Dictionary is not sufficiently rich in its vocabulary to provide denominations for the hierarchy of officers. I find the Director-General, the Deputy Director-General, the Assistant Director-General, the Deputy Assistant Director-General, and the Assistant Deputy Director-General—with permutation and combination in every form or shape, and it is only for want of sufficient words in the vocabulary that no other posts have been created. (Laughter.)

Take the telephone and radio departments. What is the need of having separate engineering officers? There is one at the top at the headquarters in Delhi, there are engineers for every small section or group. I submit that neither with respect to higher officers nor with respect to their salaries has any attempt been made to curtail expenditure and show that the department is a commercial concern. My view is that there is much more of window-dressing in this matter. If some money is advanced for the purpose of broadcasting or some money is spent for carrying mails a little earlier, that they think is all that this country needs. Take away the loin cloth and tie it on the head, leaving the lower portion of the body naked;—that is the kind of advertisement that the department is doing. The man may go without cloth, but he cannot go without a turban; that is unfortunately the way in which this department is worked.

I shall deal with every department which comes under this comprehensive head Posts and Telegraphs. The post office has a long been a business proposition; it has been paying itself. Whether it has been paying itself all along or not, last year there was a net profit of 17 lakhs, and this year a similar net profit is expected. The only drag is in the shape of the Telegraphs Department which has been consistently giving us a

deficit; 41 lakhs is the deficit this year. To this has been added the Radio Department, and the working expenses are much more by nearly a lakh, and over the capital outlay it is not able to pay interest. Thus, yearly, the Government will have to pay 2 lakhs in addition for this Radio Department. Of course the Telephone Department is being worked profitably. You will see that year after year it is the Telegraph Department and the Radio Department that are consuming the profits in the Postal Department. Applying the principle of working each department separately as a purely commercial concern, is there any justification for doing this? What is the justification for taking away the profits of one department and throwing it into another department? In the Telegraph Department, there are various ways in which retrenchment of expenditure could be effected. I find that there are 81 separate telegraph offices as against 4,000 odd combined offices. I also find from the figures that a sum of 43 lakhs is being spent for the combined offices, whereas for running 81 separate telegraph offices a sum of nearly a crore of rupees is being spent. This is what I find from the papers. Possibly I may be wrong, I would like the matter to be cleared. What is the justification for keeping this separate establishment at this huge cost. Making some allowance for the higher officers who are in charge both of the combined offices and the separate offices, nearly 50 lakhs are being spent on the separate offices alone. What is the justification for these separate offices? Why are not steps taken to convert the separate offices into combined offices. I think this is a fruitful source of curtailing expenditure.

Secondly, I would say that wherever there is a railway telegraph office and wherever there is a Government telegraph office in the same place, in all cases, where the railways are managed by the State, the two telegraph offices may be usefully combined. I do not know if this has been attempted. I find a remark in the administration report, which says that such measures are being taken.

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

Then, Sir, I find a head called the Railway Telegraph Branch. I do not know what exactly it means.

Thirdly, I would suggest that whenever a clerk or officer is appointed in the Postal Department, it must be insisted as a condition precedent to his appointment that he should have a knowledge of telegraphy also, so as to avoid expenditure on further training after he has entered service. As regards buildings, I find that a good deal of money is being wasted on buildings. The cost incurred on the building is not in proportion to the amount of rent that could possibly be received, if it were let out for hire. Is there no justification for dealing with this point as a purely commercial one and to see that the buildings are able to pay their own rate? I asked a question the other day, during question time, of the Honourable Member in charge of the Posts and Telegraphs Department as to what amount is being spent on the buildings in Benares. I was informed that quite a large amount is being spent on these buildings, out of all proportion to the income received either from the post office or the Telegraph Department. Then, Sir, there are various avenues for curtailing expenditure in the higher ranks but what is being done is, when my friends Messrs. Giri and Joshi raise this question, that some underlings are being thrown out of employment. This is all the economy that is sought to be made in this department.

3 P.M.

[Mr. M. Ananthasayanam Ayyangar.]

Then, Sir, as education is advancing and literacy is increasing, you find that the number of post offices in rural areas is decreasing. The number of postcards that were used is also coming down. Then as regards the methods of rural reconstruction that the Government adopt, I would say that they begin at the wrong end. I have collected some figures from the report published for the year 1934-35. We find that in this year the rural post offices have gone down by 47 and the letter boxes have gone down by 362. The number of village postmen has gone down by 444. The number of run miles has also gone down by 1,500. Yet it was a prosperous year which yielded a large revenue to the exchequer. In our country there is one post office for an average of 75 miles.

Mr. President (The Honourable Sir Abdur Rahim): Is that for retrenchment?

Mr. M. Ananthasayanam Ayyangar: What I am saying is that retrenchment must be from the top and not at the bottom. If you make a retrenchment of 2½ per cent. on the salaries of the higher officials, that would certainly yield a large amount, and the object of rural reconstruction could certainly be carried out by an increase in the number of post offices in the rural areas and also by reducing the price of the postcard. These are the ways in which they ought to attempt reconstruction in rural areas. It is not by giving a subsidy to the National Airways for speeding up the mails or by enabling some persons to dabble in commercial relations with foreign countries that they can attempt rural reconstruction. I say one letter box serves 4,700 of the population. The number of postcards has been steadily going down since the year 1928-29. In that year 580 million cards were sold; the next year it came to 584, then 541, 495, 485, 438 and 435. In the course of seven years it has gone down by 153 million. It means 435 million postcards for a population of 350 millions. It is not even two cards per head. Where is the boasted spread of knowledge? I would say that there is much more noise here than frankness. Then, take the post office alone. I do not know if the Honourable Member who gave the figures has read them. I will convince him that he is wrong. The other day the Honourable Member stated that by reducing the price of the postcard from three pice to two pice, there would be a loss of revenue to the extent of 50 lakhs. Out of the 435 postcards that were sold in 1934-35—I have not got later figures—if you reduce the price of the postcard by a quarter of an anna, you get 67 lakhs less but if we go back to the figure of 1928-29, as we must expect to go back, we will have an increase in the sale by 153 million cards, and in the increased sales we get 50 lakhs. Out of 67, if you recover 50 lakhs, the deficit is only 17. Is not that 17 lakhs provided already by the increase of income and the net profit as shown for the year 1935-36, and also for this year? Therefore, we need not beg either of the Honourable the Finance Member or the Honourable Member for Industries and Labour to do this or that. There is absolutely no need for that, if the post office is worked with the real idea of trying to make itself self-sufficient, and whatever gain will ensue from that, may profitably be utilised for the purposes of the well-being of the villager so as to enable him to purchase the postcard at a cheaper price. Therefore, it is not necessary to bring in any other consideration into this matter. Sir, I see, quite to my surprise, that a few friends, who generally are accused of being capitalists, are ready to help us on this amendment, and I also see that my Honourable friend, Sir Cowasji Jehangir, rose and supported this motion but we know that the Honourable Member for Industries and Labour is not in this matter—whatever he might say and try to make it appear before this House—an independent agent. Over there, a genius sits on his right, who seems to control this matter too much and, therefore, whatever his genuine intentions may be, I am afraid he would not be allowed to do this by his Honourable colleague. Already we are aware a new theory on finance has been propounded to this House—the theory of the cancellation of opinions. Whatever my Honourable friend, Sir Cowasji Jehangir, has said is cancelled by what the Honourable Member for the European Group says, and, therefore, as between us, we have cancelled all our opinions, leaving the Honourable the Finance Member to stand as he is, firm as a rock! Sir, this is a new chapter added to the chapters by Findlay Shirras-es and others. Sir, it is like this. There are a number of fruits on a tree. If one wants to take hold of a fruit, he has to throw stone after stone recklessly after the fruits, but if a monkey sits on the top of the tree, he can easily get hold of any fruit he likes. (Laughter.) Therefore, while we are throwing so many suggestions honestly, there should be an attempt to get hold of any of these by the Government, and I would certainly say that, without any difficulty, the Government can certainly give the relief asked for. If it is a question of prestige, "come what may and we shall not do that", it is a different matter. Sir, Government by their unbending, obstinate, impervious and autocratic attitude are digging their own graves. Sir, that is an attitude to be condemned. Where there is a will, there is a way; therefore, it should not require so much persuasion to persuade the Honourable the Industries and Labour Member of the justice of our case. I have not come much in contact with him, but as I gather from several Honourable Members who have come in contact with him, he is a good man, and I may hope he would certainly accept this amendment. (Hear, hear.)

Mr. M. Asaf Ali (Delhi: General): Sir, I move:

"That the question be now put."

Mr. G. V. Bewoor: I want to reply, Sir, on behalf of the Government.

Mr. President (The Honourable Sir Abdur Rahim): The Chair will accept the closure, subject to reply on behalf of the Government. The question is:

"That the question be now put."

The motion was adopted.

Mr. G. V. Bewoor: Sir, the views of Government on this amendment regarding the postcard rate have already been expressed by the Honourable Member for Industries and Labour who, in his speech, made a thorough and complete survey of the Department's policy, working and finance. It is my duty, Sir, to reply to the debate and see if I can possibly persuade Honourable Members to see the question as we see it. In

[Mr. G. V. Bewoor.]

doing so, I may have to repeat or perhaps expand some of the points already dealt with, and I may have to express views with which certain parts of the House may not be either partly or entirely in agreement. I beg, therefore, that the House will be patient and tolerant and permit me to develop the case for Government as they see it. The problem, as I see it, is not a political one; it is, in the main, economic and in that sphere, there is room for honest differences of opinion. Sir, in the matter of the postcard rate, there is a great deal of sentiment. I admit that man does not live by bread alone, and sentiment has a very important place in all matters. But when dealing with matters of business, I think it would be a great mistake to permit sentiment to override sound economic considerations. It is my intention, Sir, and it will be my effort—I hope it will be successful—to convince Honourable Members that the reduction of the postcard rate is not a practicable proposition this year; and if I do succeed in convincing them, I hope I will further succeed in persuading them that they should vote against the amendment, because, Sir, it would appear that conviction and voting do not always go together. (Hear, hear.)

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): You know that already.

Mr. G. V. Bewoor: So do you—it applies to both sides equally, Sir.

Mr. S. Satyamurti: I am glad to hear that from you.

Mr. G. V. Bewoor: If I may summarise the debate, the arguments advanced were something like this. No one has seriously questioned the basic and sound policy regarding the working of the Department, *viz.*, that the Posts and Telegraphs Department should be regarded and worked as a self-supporting organisation; but it has been urged that a temporary subvention may be given in favour of the poor man's postcard. It was urged that further economies should be made, and could be made, in the working of the Department.

My Honourable friend, Pandit Govind Ballabh Pant, criticised the allocation rules and urged that the Post Office was working at a profit and therefore the postal rates should be reduced, and, further, he accused the Government of favouring the rich or the business interests as against the poor man by reducing the telegraph rates but not the postcard rate in the year 1934. It was also urged that the elections which are expected to take place next year would bring in a large additional revenue and hence we would not be justified in expecting a loss on the working of the postcard rate. Lastly, we were criticised from the point of view of economy, and we were told that the overheads were very heavy, that there were far too many officers and far too many telegraph offices, that we should make further economy and have a cut of 2½ per cent. in the salary of officers which would pay for this loss. So far as I remember, I think the Honourable Mr. Satyamurti was more generous; he asked for a ten per cent. cut in the salary of every Government servant.

Mr. S. Satyamurti: Above Rs. 100 a month.

Mr. G. V. Bewoor: He said, I believe, Sir, the bloated salaries of Government servants. I will deal with this and other cognate matters as briefly as possible. The first point I will take is about economy. In this matter, we have been criticised by Mr. Ramsay Scott from one point of view and by the Congress Benches from another point of view. The comparison which has been made with regard to the expenditure in the year 1914 and the figures quoted from the Postal Enquiry Committee's Report are, I am afraid, somewhat unreal and do not really explain the position. In 1914, the scales of pay in Post Offices and in fact in the whole Department were extraordinarily low. Honourable Members will be surprised to hear that in Madras City a postman used to get Rs. 12 a month and in the mufassil the scales of pay were Rs. 8 or Rs. 9 per month for postmen. I am only quoting these just as examples to show that it is not conceivable that those scales of pay could be introduced at present.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Quite right.

Mr. G. V. Bewoor: Then, we have had three Committees, one for the Postal Branch, and two for the Telegraph Branch, and each went into the question of scales of pay and substituted the old graded pay for an incremental scale of pay. It was the result of this incremental scale of pay introduced in 1920 and 1921 which caused so much increase in the pay bill of the Department. On account of the high prices prevailing in the years 1925 to 1928, further revisions in pay were made, frequently at the earnest solicitations of this House. We are, therefore, now faced with a very large pay bill, and, in order to meet this, we have already introduced the revised lower scales of pay for which we have already been attacked by certain Honourable Members of this House. The real point that I would now bring before the House is this, that, in deciding whether economy has been exercised or not, we should examine the expenditure of the Department in the last few years and not go back for comparison to a pre-war year as 1914. The expenditure of this Department was subjected to a very careful and thorough examination by a Committee over which my Honourable friend, Sir Cowasji Jehangir, presided, namely, the Posts and Telegraphs Sub-Committee of the Retrenchment Advisory Committee. The position, therefore, is this. The expenditure of the Department had reached the figure of 12 crores and 11 lakhs in 1930-31, the highest since commercialised accounts began to be maintained in 1925-26. By strenuous and persistent efforts, this expenditure was brought down to 10 crores 91 lakhs in 1932-33, and to 10 crores 82 lakhs in 1934-35, that is to say, we brought down the expenditure from 12 crores 11 lakhs to 10 crores 82 lakhs in the course of four years. The expenditure during the current year, 1935-36, is estimated to be 11 crores 44 lakhs, an increase of 62 lakhs. This is in the main due to four factors, all beyond the control of the Department, namely, the restoration of the five per cent. cut, 28 lakhs, paying into the depreciation fund, the full contribution of 28 lakhs which means an increase of 19 lakhs over the contribution of the previous year, an increase of 15 lakhs to meet the annual increments and an increase of 21 lakhs in payment of pensions. The position as regards pensions has been fully explained by the Honourable Member in charge of the Department in his speech the other day. The total of these four items, over which this Department has no control, comes to 85 lakhs. The fact that in spite of these factors the increase in the expenditure of the Department during the current year is only 62 lakhs, as compared with the previous year, shows the measure of the strict watch exercised by the Department on expenditure after

[Mr. G. V. Bewoor.]

four years of severe retrenchment and economy. In fact, we have been criticised for making far more retrenchment and economy than any other Department and of having been very severe in our measures. Further, in dealing with the expenditure of the Department, we must not lose sight of the revenue earned, for, to earn more revenue, more expenditure is necessary. The revenues of the Department had reached the figure of 11 crores 30 lakhs in 1929-30, that was the highest revenue since commercialisation of accounts and it fell to 10 crores 54 lakhs in 1932-33, 10 crores 73 lakhs in 1933-34 and since then the revenue rose to 11 crores 20 lakhs in 1934-35 and it is expected to be 11 crores 50 lakhs during the current year and 11 crores 75 lakhs in the next year. Thus, compared with the year 1930-31, when the revenue was 10 crores 78 lakhs, the year 1936-37 is expected to give a revenue of nearly one crore more, whereas, the expenditure, which was 12 crores 11 lakhs in 1930-31, is expected to be 11 crores 73 lakhs or a reduction of 38 lakhs. That is to say, we are earning a crore more revenue while reducing the expenditure by 33 lakhs. I submit, Sir, that this is a record of which the Department need not be ashamed, and I trust the House will agree with me that the criticism of extravagance is unjustified.

In dealing with retrenchment and economy, the Department has been accused of sacrificing the subordinate services, while leaving the superior services intact. I dealt with this matter last year, but as the criticism is repeated, I must deal with it very briefly. During the period of retrenchment from November, 1931, to the end of March, 1935, when the retrenchment campaign was discontinued, over 15,000 persons were retrenched in this Department. The number of persons retrenched in the gazetted grade was 15 per cent. of the total, in the non-gazetted superior services it was 12 per cent., and in the inferior service it was only 10 per cent. of the total. It is further alleged that further economy is possible, because the Department is top-heavy, and that there are too many officers. Here, again, is a criticism which refuses to be killed though the matter has been thoroughly explained more than once. I would again state most emphatically that the Department is not top-heavy. I might perhaps, on behalf of myself and the officers, say that we are pretty well hard worked. I will give the House some figures which tell their own tale. In a total staff of one lakh 17 thousand persons employed in the Department, there are only 473 gazetted officers. But as fully explained in paragraph 73 of the Annual Report for 1934-35, of these, 95 officers alone are actually holding higher charges such as are commonly regarded by the general public as controlling the business of any concern. The rest of the officers are in actual executive charge of the offices. This gives an average of one officer for 1,239 employees and it must be noted that this staff is not concentrated in one office or building or even within a small area, but is scattered in urban as well as in rural areas, all over India and Burma. The staff is engaged in performing the responsible work of handling cash and valuables running into hundreds of crores, articles numbering thousands of millions and dealing with highly technical apparatus and plant. I do not think, Sir, that there is any other business which can show a smaller number of supervising and controlling staff for the responsible task performed. It is further alleged that if the numbers are not high, over-head charges are heavy compared with the expenses of the subordinate staff and that there has not been any economy in expenditure on the officer class as compared with the subordinate staff. This misapprehension must also be removed and if possible killed. In 1929-30, the total amount of pay of gazetted officers in the department was 52·36 lakhs, and leaving ·36, we have in round figures 52 lakhs as against a pay of 707 lakhs for the permanent establishment in the non-gazetted grades. In the budget estimates for 1936-37, we anticipate an expenditure of 46 lakhs on the pay of officers as against 727 lakhs, the pay of permanent establishment. The pay of officers thus forms only 7 per cent. of the total pay bill of the Department. I do not think, Sir, any one can possibly call this excessive expenditure on over-heads.

Having dealt with the question of retrenchment and economy, I will just make one remark about this constant call for cutting down expenditure. In a service like the Posts and Telegraphs, efficiency is a very important consideration in dealing with measures of economy. The Posts and Telegraphs Department, in order to earn any revenue at all, must necessarily be efficient, and, therefore, in our search for economy, we cannot go beyond certain limits. An unpunctual, irregular or dilatory service kills traffic and this involves serious loss of revenue. Our efforts have been aimed in the last few years at publicity, at the instruction of the public as well as of the staff and in ensuring to the Department the legitimate revenue to which it is entitled. As a result of these efforts, we have attracted more traffic and more revenue, and we have now reached in the budget an equilibrium budget for the first time in recent years, though I fear to say if it has come to stay.

Now, dealing with Mr. Pant's criticism regarding allocation of expenditure between the Posts and Telegraphs branches, I should like to mention that this question was thoroughly examined on a reference made by the Public Accounts Committee. A memorandum was prepared, examined by the Auditor-General and submitted to the Public Accounts Committee which had no remarks to make; and the Auditor-General has accepted that the existing system of allocation is as fair a system as could be devised to show exactly what is the revenue and expenditure in each branch. Then comes the question "If the post office branch is making a profit, why should not the postal rates be reduced and let the telegraph branch continue to work at a loss?" This question, Sir, was dealt with by the Postal Retrenchment Committee to which I referred before. I think I cannot do better than to read a few lines of that report which I hope will dispose of this criticism. The Committee says:

"We would also like to express at this stage our view on the point that has been made on several occasions from various quarters that one branch of the department is working at a loss while another is working at a profit. Such opinions overlook the implications of the declaration of the policy of Government which was accepted by the representatives of the people constituting the Legislative Assembly. As we read the declaration, Government expect the department as a whole to be self-supporting, irrespective of the results of working of individual branches. This implication, moreover, derives support from common experience. The results of the working of a large utility department like the Posts and Telegraphs which provides facilities of communication of a most varied nature must depend on a variety of factors some of which are almost beyond control. It is not unreasonable to expect that in such circumstances sometimes it will be one branch and sometimes another which will show a profit while other branches are showing a loss. For instance, we understand that in a good many countries the telegraph branch is running at a loss while the postal side has been yielding a handsome profit."

The point to remember is this that the postal, telegraph, wireless and telephone branches are all engaged in providing a communication service

[Mr. G. V. Bewoor.]

and that these services compete within limits with each other. For instance, when the urgency of the communication is only such that a day's or night's interval makes no difference, the communication will be sent as a letter and not as a telegram. If on the other hand the message is of such urgency and importance that it is necessary to obtain a reply immediately, the person will obviously try to secure a telephone trunk call. Again, wireless communication is expensive for operating every-day commercial traffic for short distances, but it will be invaluable at times when due to circumstances land lines are interrupted. As the railways become more efficient and trains are scheduled to run faster, letters will quicken up and will begin to compete with cheap telegrams. If, on the other hand, there is a breakdown of the railway service, telegraph traffic is increased. That these are not merely theoretical considerations will be borne out by the experience in different countries. For instance, since wireless telegraphy developed to an extent when it could compete successfully with cable, the latter began to lose heavily; and as it was considered necessary to continue them a settlement between the two had to be arranged for in various ways so that cut-throat competition between the two communication services, both essential in their own way, could be avoided. In India itself, the unhappy state of affairs due to unrestricted road traffic, along trunk roads being allowed to compete with controlled traffic on railways running on the same alignment, is sufficient indication of the dangers that are inherent in the policy advocated, namely, treating the service in each branch as an independent concern. At present, the position is that the losses of the telegraph branch are met partly from the profits of the postal branch and partly from those of the telephone branch, and that, if all the deficits and profits are taken together, the Department is expected to work at an equilibrium next year. There is a real danger in treating each branch separately and we must therefore proceed on the assumption that the whole department is treated as one for the purpose of fixing the rates in the different branches.

The next point I should like to take is to remove the misapprehension caused by Mr. Pant's criticism in another matter. He stated that the telegraphic rate was reduced in 1934 but no relief was given on the postal side for postcards. The fact of the matter is that, in 1934, the telegraph branch was, it is true, working at a loss, but there was a great deal of unutilised capacity, and we wanted to utilise that capacity, not involving additional expenditure. And we gave to the public, not a cheaper telegram, but a shorter telegram. The charge remained the same, *viz.*, one anna per word. Formerly the charge was 12 annas for the first 12 words or less *plus* one anna surcharge, and the new rate was nine annas for the first eight words or less. The actual loss on the change made in the telegraph rate was anticipated to be only three lakhs and actually we got roughly the same revenue as before. On the postal side, however, we gave a cheaper letter of half tola which was expected to cost 27 lakhs of rupees, and this one-anna-half-tola letter was rightly expected to be a relief to the poor man as well as to the business and rich man. Therefore, the accusation made by Mr. Pant has no foundation at all.

Mr. Jinnah spoke of our revenue estimates and said that we have not made sufficient allowance in our estimates for the additional revenue that would accrue to us on account of the election. In the matter of the estimate made by Mr. Jinnah, one may differ. If his figures are to be taken, namely, Rs. 1,000 on postal and telegraph charges per candidate

and if there are ten thousand candidates, the revenue would certainly increase by one crore of rupees. There are no reliable figures that I can get hold of just now but I doubt . . . .

Mr. M. A. Jinnah: What is your estimate?

Mr. G. V. Bewoor: We have allowed for an increase in revenue mainly under the book packet traffic. We anticipate that candidates would utilise the book packet post for sending round circulars asking voters to vote for them; and in that we have provided for an increase of about 14 per cent. over the present book packet traffic. But what I should like to point out is that our budget estimate of revenue this year is 11 crores and 33 lakhs and for the budget estimate of 1936-37 we have taken 11 crores and 75 lakhs. That is an increase of 42 lakhs, but please remember that the original estimate which we had made was an increase of 55 lakhs, but we allowed a reduction of 13 lakhs which is the loss in revenue anticipated by the modification of the letter rate, by raising the first unit of weight from half tola to one tola. I therefore submit that in making our estimates for the postal, telegraph and telephone revenue for the next year we have, if anything, erred on the side of optimism rather than on the side of pessimism.

The question of Burma is not of immediate interest, because, whatever relief may or may not be coming would not come except in the budget for 1937-38.

Now, Sir, I will deal very briefly with the argument of subvention which was put forward by Sir Cowasji Jehangir and other Honourable Members. The dangers of a subvention have already been pointed out and I do not think I should really expand on that question beyond what the Honourable Member in charge of my Department has stated in his speech, namely, that once you embark upon a policy of subvention you do not know where you may be taken and that once you give it in favour of the postcard for the poor man, you may next be asked to give it to newspapers in the interest of the press and the newspapers, to book-packets in the interests of the spread of education or of trade, and so on. It is entirely as a matter of sound economic or financial policy that we wish to impress upon the House that to embark upon this policy of subvention on any excuse whatsoever is a dangerous precedent.

Mr. M. A. Jinnah: Is any subvention given in Great Britain to the post office?

Mr. G. V. Bewoor: No, Sir; the post office in Great Britain is working at a profit of something like 12 million pounds per annum. There is no question of subvention.

Lieut.-Colonel Sir Henry Gidney: What about the Telegraph Department?

Mr. G. V. Bewoor: It is losing.

Sir Cowasji Jehangir: Does not the general exchequer give a subvention of five million pounds for Telegraphs?

Mr. G. V. Bewoor: No, Sir. The 12 million pounds which I mentioned is the net profit from the post office, telegraphs and telephones.

Sir Cowasji Jehangir: Including the subvention?

[Mr. G. V. Bewoor.]

would counter by quoting another: "Patience and perseverance overcome mountains." We on our side have persevered with this one object, and I ask the House to exercise patience on its part for a little time more.

Mr. M. A. Jinnah: May I point out to the Honourable Member that we have followed you so many years, and you may follow us this year, and then see who is right next year.

Mr. G. V. Bewoor: I am asking the Honourable Member to follow me for another year.

Mr. M. A. Jinnah: I am tired.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head '*Postcards*' the following be substituted':

'Single	Six pies.
Reply	One anna'. "

The Assembly divided:

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Witherington, Mr. C. H.
Zafrullah Khan, The Honourable Sir Muhammad.

The motion was adopted.

MOTION FOR ADJOURNMENT.

BAN ON MR. SUBHASH CHANDRA BOSE.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, I move:

"That the Assembly do now adjourn."

Yesterday, the following news was published in the Press:

"In a letter to the *Daily Herald*, Mr. Subhash Chandra Bose states that he has received a letter from the British Consulate in Vienna saying that the Consulate received instructions from the Foreign Secretary to warn Mr. Bose that the Government of India had seen press statements that he proposed to return to India by March the 11th, and that the Government of India desire to make it clear to him that, should he do so, he could not expect to remain at liberty.—*Reuter*."

On this, Sir, is my present motion. Mr. Subhash Chandra Bose requires no introduction in this House. He is one among the very few of the most prominent leaders of Indian nationalism, and practically the idol of the youth of our nation, and his case under this Government has been a very pathetic one. Some four years ago, he was taken away to be interned along with his brother, Mr. Sarat Chandra Bose. In prison Mr. Subhash Chandra Bose got a very bad disease meaning danger to his life, and, for a long time, practically no care was taken of him. Then, somehow, he was allowed to go to Europe, as it was then given out, for his treatment. In the meantime, his brother,

4 P.M.

[Mr. G. V. Bewoor.]

would counter by quoting another: "Patience and perseverance overcome mountains." We on our side have persevered with this one object, and I ask the House to exercise patience on its part for a little time more.

Mr. M. A. Jinnah: May I point out to the Honourable Member that we have followed you so many years, and you may follow us this year, and then see who is right next year.

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"That the Assembly do now adjourn."

Yesterday, the following news was published in the Press:

"In a letter to the *Daily Herald*, Mr. Subhash Chandra Bose states that he has received a letter from the British Consulate in Vienna saying that the Consulate received instructions from the Foreign Secretary to warn Mr. Bose that the Government of India had seen press statements that he proposed to return to India by March the 11th, and that the Government of India desire to make it clear to him that, should he do so, he could not expect to remain at liberty.—*Reuter*."

On this, Sir, is my present motion. Mr. Subhash Chandra Bose requires no introduction in this House. He is one among the very few of the most prominent leaders of Indian nationalism, and practically the idol of the youth of our nation, and his case under this Government has been a very pathetic one. Some four years ago, he was taken away to be interned along with his brother, Mr. Sarat Chandra Bose. In prison Mr. Subhash Chandra Bose got a very bad disease meaning danger to his life, and, for a long time, practically no care was taken of him. Then, somehow, he was allowed to go to Europe, as it was then given out, for his treatment. In the meantime, his brother,

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who was in prison as an internee, over and over again challenged the Government to put him on trial. Perhaps, in response to that challenge, something happened which everybody in this House knows. Similar is the case with his brother, Mr. Subash Chandra Bose. Here is a gentleman against whom there is no charge. Government don't put him on trial; they dare not do so; still he was put in prison here, and restricted in his activities after he had gone to Europe. There was, however, every expectation that, at least owing to the present atmosphere in the country, Government would be inclined to give him liberty in India if he returned to this country. But we have got this stunning news that he would not be allowed liberty. Sir, only very recently, Mr. Subhash Chandra Bose announced that he would work, if he was given the opportunity to do so, as the Secretary of the Indian National Congress. Now, as every one knows, Pandit Jawaharlal Nehru is going to lead the nation next year, and if Mr. Subhash Chandra Bose becomes the Secretary of the Congress, there is every likelihood that there will be an atmosphere in the country which perhaps both the Government and the people alike would like. The nation expects some calm organised work, and Mr. Subhash Chandra Bose is well known for it from the days of the East and North Bengal floods. He is a man who can work calmly and work effectively, and he is an honest public man. He has made honest public utterances for everything, and all his activities, as the nation knows, are above board. There is nothing to show that he should get this treatment at the hands of the Government, and, particularly at this present juncture, the nation will simply be delighted to have him at the helm of affairs.

So far as I know, Mr. Bose is a nationalist of the first rank and he is a Congressman out and out, believing, as he does, in suffering and sacrifice. Though he may differ at times with the programme of the Congress and with its methods, there is nothing to show that he is anything but a Congressman and a nationalist with clear vision and outlook. I deliberately use the word nationalist here, as against internationalist. He is first a nationalist, and then an internationalist. So far as I can say,—and I know him intimately—he always holds the interests of the Indian nation uppermost in his mind and heart.

As to the general aspect of this question, the nation must have been shocked at this news which I have already characterised as stunning. I do not know if national workers like Mr. Subhash Chandra Bose are to be interned and externed or are to be deprived of their liberty indefinitely and without charge and sent to foreign countries and shut out there,—I do not know what will happen to the Indian nation. It is practically driving the entire nation to desperation. We have often said in this House and elsewhere, on this subject, as well as on subjects similar, we have asked the Government on several occasions—but Government have but one reply, namely, that it is in the public interest, that they are the only custodians of that public interest, and that we, the real representatives of the public, and the people have nothing to do with it and have no say. In the interests of the nationalism of India, in the name of the public, in the name of the peace that we all desire as the common goal and a calm atmosphere for the development and evolution of the nation in the desired lines, if I had the power I would even appeal to the gods above to come down to save us from situations and incidents like this. Our young men today do not know what to do if measures like this are adopted to put down the nationalism of India. It is neither conducive to a calm in the country nor good for the Government. With these words, I move my motion.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Assembly do now adjourn."

Mr. M. G. Hallett (Home Secretary): Sir, it is with very considerable diffidence that I rise to make my maiden speech in this Assembly, accustomed as I am to the cooler atmosphere of another place . . . . (*An Honourable Member*: "Cooler?") . . . yes, actually cooler. I am not an accomplished speaker, and I trust the House will listen to me with patience and attention. My excuse for being here is that the Government do not wish to conceal the facts; they do not wish to conceal the reasons why they think that the return of Mr. Subhash Chandra Bose to India as a free man would be a menace to the peace and tranquillity, not merely of Bengal, but of India generally. We do not justify ourselves merely by any bald statement that it is in the public interest, but I and the Honourable the Home Member hope to give reasons which, we trust, will convince some of the Members that there are very valid grounds for holding this view about Mr. Subhash Chandra Bose.

I must go back to rather early days, but I want to do it as quickly as possible, as I have not got much time before me, but we must judge a person's future activities by his past history. Mr. Subhash Chandra Bose, as the House knows, passed into the Service to which I have the honour to belong, but he left it because of non-co-operation. He left it to become a politician, not merely a politician, but a left-wing politician, and not merely a left-wing politician, but a revolutionary left-wing politician . . . (*An Honourable Member*: "Question.") . . . who has been prepared to support methods of terrorism and who has also been prepared to support methods of militant mass revolution. We have facts and details to prove that statement. He came out here in 1920 or 1921 at the call of non-co-operation. He took part in that movement. He regarded that movement as a success, because it had converted the Congress from a constitutional and mainly talkative organisation into a revolutionary organisation. He was disgusted and he resented the calling off of the movement after the tragedy of Chauri Chaura. He was not the only person who resented the calling off of the movement. The terrorists in Bengal who, after the amnesty of 1920, had held their hands during the two years that the non-co-operation was going on, started in 1922 on a more drastic campaign of violence. However, I will not say much about those years. I pass on to the time when he was arrested under Regulation III in the year 1924, in the autumn of that year. His case was examined according to the methods which were described to this House by the Honourable the Home Member and by myself in the Council of State a few days ago—it was examined with great care, was examined by two Judges who gave it as their finding, that they were satisfied that there were reasonable grounds to believe that Subhash was a member of a revolutionary conspiracy, and that, if at large, he would be a danger to the State, more particularly on account of his public position and his outstanding organising ability. I quite admit what the Honourable the Mover has said, namely, that he has great influence with the youth of the country. That is really the danger with Mr. Subhash Chandra Bose. I have looked up that record, and I am perfectly satisfied in my mind that there was full justification for the order. It is a detailed record, and there is no doubt that, during that year, 1923, he had been guilty, or he had been responsible for making inflammatory speeches and he stirred up the youths of Bengal. For

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example, in August of that year, he published in the *Atma Sakti*, one of the worst terrorist papers of Bengal, an appeal to revolutionary organisations calling upon young men who were prepared to sacrifice their lives. Apart from his open activities, there were some more secret activities, and we have good reason to believe that he was in close association with the leaders of the terrorist party and was cognisant of many of their plots for the assassination of Government officers. Further, it must be remembered that, as Chief Executive Officer of the Calcutta Corporation, he had taken a leading part in enlisting in the services of the Corporation those who had "suffered in their country's cause" and, as I prefer to say, had taken part in the terrorist movement. He was put under detention and removed to Rangoon where he stayed till May, 1927, and he was then released mainly for reasons of health. During the next years, it is quite clear that he was pursuing definitely a left wing policy and was trying to get hold of two of the most inflammable elements of the country, labour and the students. He took credit to himself that he was responsible for getting the students to organise themselves, and we all know what that organisation has ultimately resulted in Bengal, in many cases not merely in constitutional agitation, but in the methods of the terrorists. He started, I think, the Bengal Students Conference, I think, in 1928, putting before them the message of Communism. Is that a good message to put before the youth of Bengal, the youths who are so impressionable and who are so ready to swallow all these dangerous doctrines which are put before them? He took part in labour agitation. He went to Jamshedpur, where, at that time, there was strike in the Tata Iron and Steel Works. He took some part in the Bombay Textile Strike which was also going on about that time. He was thoroughly disgusted with the right wing of the party. He thought that their methods were halting, and he disagreed with the tactics of the Swarajists in the Legislature. He thought it was far better to take more drastic left wing action. I do not want to go into the events of those years in any detail, but I just quote those instances to show the general lines on which his mind was working.

Then, Sir, I must mention, although many Members of this House know it probably better than I do, what happened at the Lahore Congress in the end of 1929. I quite admit that the policy, which he enunciated there, was rejected by the Congress, but it shows the way his mind was working. He moved a resolution that the Congress should aim at setting up parallel Government, and, to that end, should take up the task of organising the workers, peasants and youths. Surely that is a definitely revolutionary policy which he put before the Congress? I am glad, however, that the Congress rejected it, but he was very indignant with them for adopting a half hearted policy and adopting a message of independence without determining any definite means for obtaining that objective.

Now, I pass on to the 3rd January, 1930, when Subhash Bose was convicted. He was convicted for an offence committed in Calcutta some months before, where he took part in a demonstration in aid of what he euphemistically called "political sufferers", but who might better be called terrorists. He was convicted under section 124 and 124A and sentenced to one year's imprisonment. The sentence was upheld by the High Court, and it is on record that at those demonstrations most inflammatory

placards were distributed and displayed, placards like "Long live Revolution", "Down with Imperialism", "The Gallows alone shall give India Happiness"—all that kind of inflammatory stuff which has had such effect in stirring up the youth of Bengal. Seditious speeches were also delivered, and, as I said, the result was that he was convicted and was in jail for the greater part of 1930. When he came out just at the time of the Delhi Pact in 1931, he did all he could to persuade Mr. Gandhi to include, not only the non-violent Civil Disobedience prisoners in the Pact, but also the violent prisoners from his own province of Bengal. He had many discussions with him, but at last, after the decision arrived at by Government not to give way over the agitation of Bhagat Singh was announced, he thought it was no good fighting and he gave up his points, but it was clear that, throughout that period, he was eager to help the terrorists of Bengal who had been his supporters.

Now, Sir, I shall go on to the reasons which led Government on January 3rd, 1932, to arrest him under Regulation III. I wish to make it perfectly clear, in the first instance, that it was not because of civil disobedience. His arrest, it is true, coincided with the outbreak of civil disobedience, but the question had been under discussion for some time before, and the reasons for his arrest were the same as those in 1924, that is to say, because he had been very closely associated with terrorism in Bengal. Now, Sir, I hope to show briefly some of the evidence on which that decision was based. At a meeting of this Assembly in September last, the Honourable the Law Member read out a letter, a rather important letter, but he did not mention names, although possibly some of you guessed who Mr. A. and Mr. B in that letter were. I will not name Mr. B. I will still refer to him as Mr. B, but Mr. A was Subhash Bose. The letter is by Krishna Das. That letter reads as follows:

"I interviewed Mr. A on the 7th evening. What I gathered from him is that he appreciated your position on the subject of release of prisoners, but he pleaded and will plead before you that the situation in Bengal required that the group of revolutionaries in Bengal, if possible, be satisfied . . . . . Mr. A.'s party consists of *Yugantar* group of revolutionaries, policy guided from Calcutta and Ranchi, but the organisation has ramifications throughout Bengal. The present Bengal Provincial Congress Committee is under control of this group of men pledged to the cult of violence, but not opposed to mass movements of non-violent kind, it being the opinion of this group that such movement is most helpful towards preparing the ground for greater revolution which was bound to be based on violence."

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): What is the date of that letter?

Mr. M. G. Hallett: February, 1931. Probably some of the Members in the House do not know exactly what the *Yugantar* party is or was at that time. It was a party which was responsible for the Chittagong Armoury raid, for the Pahartali outrage at Chittagong, for the attack on Europeans at the Cricket match and for other outrages in that town. It was a party which, about that time, adopted a programme for the murder of Europeans in hotels, clubs and cinemas, burning of the aerodrome at Dum Dum, and cutting off of the gas and electric supply of Calcutta, and other revolutionary measures of that kind, a purely revolutionary party,—a party which, as far as I know, has been more dangerous than the opposite party of the "*Anushilan*". That group was clearly pledged

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to violence, and Subhash Bose was the head of that party. The letter goes on:

"Hence this group did not oppose but participated in the movement of 1921, as also in the present movement, and is the mainstay of Mr. Subhash Chandra Bose. Bengal politics are nothing but a struggle for power (whether in the Bengal Provincial Congress Committee or in the Calcutta Corporation), between this group and the *Anushilan* group. Mr. A and Mr. B are pawns in the game."

Then, it went on to refer to another group of revolutionaries—the "Bepin Ganguly" group which originally belonged to Mr. B, but has now gone over to Subhash Bose.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Mr. M. G. Hallett: Sir, that pretty well completes my speech. May I just, before I sit down, correct one misapprehension which the Honourable the Mover appeared to hold, he said that no care was taken of Mr. Bose when he was in prison. Sir, I was Home Secretary during all that period, and I can assure you that the Government had taken every possible care . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Mr. M. G. Hallett: Sir, I trust.....(*Cries of* "Order, order.")

Mr. Akhil Chandra Datta: Mr. President, we have been told that Mr. Subhash Chandra Bose was not arrested in connection with the Civil Disobedience Movement, but because he was associated with terrorism. This reminds me of the case of his brother, Mr. Sarat Chandra Bose. Sir, the Civil Disobedience Movement was inaugurated in January, 1932, and, at or about that time, both the brothers were arrested. Sir, whenever we moved in this House for the release of Mr. Sarat Chandra Bose, we used to be told that Mr. Sarat Chandra Bose was deeply involved in revolutionary activities; that was the case of the Government for a long time. Now, since then, better counsels have prevailed, with the result that, later on, after a long time, Mr. Sarat Chandra Bose has been released. Now that he has been released, I take it, Sir, and I have a right to take it, that the Government are now convinced that he, Mr. Sarat Chandra Bose, was not deeply involved in revolutionary activities; or, for the matter of that, he was not involved at all in revolutionary activities.....

The Honourable Sir Henry Craik (Home Member): When?

Mr. Akhil Chandra Datta: I am quite sure, Government have realised later on that they were wrong originally in holding that he was in any way associated with revolutionary activities.

The Honourable Sir Henry Craik: No, no.

Mr. Akhil Chandra Datta: Now, Sir, it is some time now since Mr. Sarat Chandra Bose has been released. What has been the effect of this release? The British empire has not tumbled down. I think I can say that this Government has not the least ground of complaint against Mr. Sarat Chandra Bose ever since his release and the Government do not regret that he has been released. Now, I am only afraid that what is true about the case of Mr. Sarat Chandra Bose is also true about the case of his brother, Mr. Subhash Chandra Bose. Mr. Subhash Chandra Bose is no more associated with terrorism than his brother, Mr. Sarat Chandra Bose, was. Well, Sir, we have been given a long history of the career of Mr. Subhash Chandra Bose. After all, all that ancient history is absolutely irrelevant, remembering that he was allowed to be at large for a long time even after the alleged activities of Mr. Bose, enumerated by the Honourable Mr. Hallett. The really pertinent question is: why was he arrested in 1932? Because he made a speech in 1923, or because he spoke to the labour people in 1924? That cannot possibly be a reason for his arrest again in 1932. The whole question is—why was he arrested in 1932? Under what law, and for what activities?

The Honourable Sir Henry Craik: Terrorism.

Mr. Akhil Chandra Datta: Sir, we have been told this morning and also this afternoon that he was not arrested in connection with the Civil Disobedience Movement. The case is that he was arrested, because he was associated with terrorism. But, Sir, one thing is very significant, and that is this,—that he was not arrested under the Criminal Law Amendment Act or any other law (and there is quite a lot of them) both in India and particularly in Bengal; he was not arrested under any law dealing with terrorism; he was arrested under the State Regulation of 1818. At that time, in the year 1932, many people in Bengal, both leaders, and from among the rank and file, were arrested under one or the other of these represssive laws dealing with terrorism, and, therefore, I may take it that there was not sufficient reason for his arrest under any of these Acts. Therefore, my case is this. If he was not arrested in connection with the Civil Disobedience Movement—and admittedly he was not,—and if he was not arrested under the Criminal Law Amendment Act, the question arises—why was he arrested at all? Now, that reason is to be found in the speech made by the Honourable Mr. Hallett in which the Government explanation is to be found: he must have been arrested because of his past activities. But, whatever they may be, revolutionary or otherwise, that is quite a different matter, that is a matter of controversy,—the fact remains that he must have been arrested, not in connection with the Civil Disobedience Movement, nor for any acts of terrorism or any association with terrorism, at that particular time, in 1932 or thereabouts, but he must have been arrested in consequence of his past activities.....

Mr. M. G. Hallett: His activities at recent past.

Mr. Akhil Chandra Datta: I do not give way—the time is only fifteen minutes.

[Mr. Akhil Chandra Datta.]

Now, Sir, a question was asked in this House in September last. The question was as to whether, when he was in Europe, he could go to England. The reply was this—a very significant reply:

"Apart from the fact that his passport is only valid for certain foreign countries, no restrictions are imposed on Mr. Bose",

so that there are no restrictions while he is in Europe.

Then, Sir, the question was asked whether he would be allowed to come back to India. The Honourable the Home Member's answer was:

"He will be allowed to return to India, unless any restriction is imposed before he returns."

Therefore, Sir, it is perfectly clear that even in September, 1935, when this answer was given by the Honourable the Home Member, there were no restrictions upon him. He will not be allowed to come back if, before his return, any restrictions are imposed on Mr. Subhash Chandra Bose. The question, therefore, arises—when were these restrictions contemplated or imposed, and for what fresh activities? We have not been told anything like that, and it is impossible for us to believe that there were any activities on his part in Europe which would afford any ground at all for any fresh restrictions. Now, Sir, with regard to all these activities in Europe, they are not underground activities. He has been making public utterances. I am reminded that there has never been an allegation that there is anything in his activities in Europe which would furnish a justification for the recent action on the part of Government.

Now, Sir, it appears to us, as has been referred to by the Honourable the Mover of this motion, that Mr. Subhash Chandra Bose has declared his intention to act in concert with Pandit Jawaharlal Nehru. In fact, it is reported that the understanding is that he will act as the Secretary of the Indian National Congress. Now, Sir, I do not know if the Government can contemplate with equanimity Pandit Jawaharlal Nehru as the President of the Congress and Mr. Subhash Chandra Bose as Secretary of the Congress. Until we are precisely told what led the Government to take this action, and, in the absence of any satisfactory explanation as to the present activities of Mr. Subhash Chandra Bose justifying the Government's action, well, they cannot blame the people if they have a shrewd suspicion that this restriction is the result of the apprehension that these two men, these two idols of India, Pandit Jawaharlal Nehru and Mr. Subhash Chandra Bose, that the combination of these two men is an eventuality which cannot be countenanced by Government. It has often been said that Mr. Subhash Chandra Bose is the idol of India, that he is an outstanding personality gifted with all the powers of a leader, and this must be the reason why this fresh restriction is imposed upon him. I repeat that until the Government lay all their cards on the table and make it perfectly clear why, apart from ancient history of Mr. Subhash Chandra Bose, he should be restricted from coming to India. Has anything taken place recently after September, 1935, which necessitated Government taking this action to impose restriction? Sir, there are three leaders of Bengal who were arrested at the beginning of 1932. These two brothers, Subhash and Sarat, and another most respected leader of Bengal,

who is no more, Mr. J. M. Sen-Gupta. We all remember the circumstances in which Mr. Sen-Gupta was arrested on the day of his arrival from England and at the moment when he set his foot on Indian soil, in fact he was arrested in the steamer itself. I do not think even the Government can say that the late Mr. Sen-Gupta was associated with terrorism. The Government arrested him just at the nick of time, on the eve of the inauguration of the Civil Disobedience Movement. The real reason for the arrest of these three gentlemen was either actual participation in the Civil Disobedience Movement or apprehended participation in the Civil Disobedience Movement. That is the reason why all these restrictions were imposed in 1932 and why these restrictions are sought to be reimposed on Mr. Subhash Chandra Bose now. With these words, I support the motion.

The Honourable Sir Nripendra Sircar (Leader of the House): (The Honourable Member was greeted with Cheers from all sides of the House.) Sir, I am glad to notice that I have become so popular on both sides of the House. Sir, I do not desire to say a single word which will in any way impede the liberty of Mr. Subhash Chandra Bose in Bengal or in India if conditions further improved in Bengal. At the present moment, the position of the executive is this: that the Legislature, whether under the Bengal Criminal Law Amendment Act passed by the Bengal Legislature or under Regulation III of 1818, empowers, and makes it indeed the duty of the executive to exercise its powers of detention if there are reasonable grounds for believing that a particular man is likely to be a source of danger. The issue, therefore, is whether the materials which can be placed before the House will induce this House to agree that there are indeed strong materials for a reasonable belief in that direction and that the executive has not acted arbitrarily, and has been within the bounds of law in this matter.

Now, my Honourable friend, the Deputy President of the Assembly, has taken the trouble to meet the points which, in fact, were not pressed. He has not said a single word about a very strong *prima facie* evidence upon which the previous speaker, Mr. Hallett, relied. I am not going to read that letter of Krishnadas again. That has been done. But, in that letter, there was a positive and detailed statement that such and such a revolutionary party, *viz.*, the *yugantar*, were the adherents of Mr. Subhash Chandra Bose. I am not trying to prove that in fact Mr. Bose is really a terrorist, there being no finding of Court, but I am trying to prove that Government have ample grounds for believing that he is one. Who was this man Krishnadas? (Interruption.) If I have unlimited time, I can meet all the objections.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must be allowed to proceed with his speech without interruption. He has limited time at his disposal.

The Honourable Sir Nripendra Sircar: Who was this man who wrote this letter? Was he a spy, a police informer, or a common informer? Who was this Mr. Krishna Chandra Das? He was a Bengali. One of the ill-informed newspapers in Bengal suggested that he was a non-Bengali and that he was trying to malign Bengalis. No, Sir, Mr. Krishna Chandra Das was a Bengali, a man born in East Bengal, and who passed somewhere about a year in Sabarmati Ashram, and who wrote a book "Seven

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Months with Gandhi". He was his Secretary. Now, Sir, he came to Calcutta and acquired prominence there in 1930. His avowed object was, as will be found—I cannot go into details—from the files of contemporary papers like the *Advance*, the *Forward* and the *Patrika*, he came to launch Civil Disobedience Movement in Bengal. We have no grouse about the Civil Disobedience Movement. But, in April, 1930, after he had delivered his first speech, he was introduced to a large gathering at a public meeting by one of the leaders, Mr. Sen-Gupta, and was represented to be the Secretary of Mahatma Gandhi. He was there in Calcutta in connection with political activities of the Congress. Very well, Sir. There were a series of meetings. They were all organised by the North Calcutta District Congress Committee, and, to put the matter briefly, in one of his first two speeches, he stressed the point that, for attaining the Congress ideal of Independence, there were four stages. The first stage was the stage of petition, that is where the non-Congress people suffering from slave mentality are supposed to stay, *viz.*, the stage of petition. The second stage was non-co-operation, the third stage was Civil Disobedience Movement, and the fourth stage was the stage of anarchy. Those were the views he expressed. He continued to take the most active part, and he was treated as a member of the inner group in Bengal in active touch with the leaders. He toured extensively throughout Bengal, and, because he was coming in close touch with the terrorists, or at least going to them and talking to them, a watch was kept over him, and this letter was intercepted. I have read this letter. After that, has it been said that this letter is not a genuine letter? Can it be said that Mr. Krishna Chandra Das is a man who could not possibly have known the real state of affairs in Bengal? Sir, we have a clear admission from Krishna Das that that was his letter. I find from the papers, for instance the *Advance* of the 4th October, a gentleman quoting this letter and signing himself as Assistant Secretary of the Bengal Provincial Congress Committee, addressing a letter to Mr. Krishna Das, forwarding him a copy of my speech or rather a very elaborate summary of my speech, but taking care to quote the portions which have been read out by Mr. Hallett, bringing out the connection of the terrorists with the leaders. And Krishna Das was asked as to whether the letter was written by him, and asking Krishna Das for his sources of information. Krishna Das was told:

"It is necessary in the public interests that your reply should reach me at an early date."

Krishna Das got this letter; he knew exactly what allegations had been made by me on the strength of his letter; I have no information beyond that. What was his answer? He gave an answer fairly quickly, and this is his reply. He is still the Secretary of the All India Congress Committee, as he was in those times, and he writes from Swaraj Bhawan, Allahabad:

"Dear Sir, I have your letter dated the 19th instant. From what appears in the press, it is clear that the Law Member quoted only portions of my letter."

Well, Sir, as a matter of fact, the very next day, he must have got a complete report of my speech; and, as it is, the extract which was set out and with which he was confronted contained practically whatever I had read in this House, including the statement that Mr. Subhash Chandra

Bose's party included the *Yugantar* party. Let us see what Krishna Das says:

"Unless you can get the full text of the letter from the Law Member and supply me with a copy, it would be rather unfair to form any judgment on my letter or to call upon me to offer an explanation. I can tell you that I have no distinct recollection."

Sir, there are many lawyers here. All of you are men of strong common sense. I ask you, what can you infer from this? "I have no recollection, let me have the complete letter". Well, Sir, the extract put to Krishna Das was complete enough, but, in any case, the complete letter was published in the newspapers in a couple of days, and, later, in about seven or eight days, in the official proceedings. Up to this moment, has Mr. Krishna Das offered any explanation? Has he said that he was misinformed, that he heard the story in the streets and that he was not in active touch with the cabinet of the Bengal Congress? Nothing of the kind; and we know that the person concerned, Mr. Subhash Chandra Bose, had been writing letters, sending messages, giving directions from Europe every week. Has he, up to this moment, denied the charge that at any rate in 1931 the *Yugantar* party,—I need not go into the history of terrorism, but you know that the two main terrorist parties were the *Yugantar* and the *Anushilan*,—that they were his followers, and they were supporting him throughout in his career both in the public and in the Corporation. Nothing of the kind. Mr. Subhash Chandra Bose has not said that his followers did not include the *Yugantar* party.

Now, Sir, a very relevant question will be put, *viz.*, what does all this mean? Assuming this to be true, this was in 1931, and here we are in 1936. That is a very pertinent and important question, and I will try to answer that. The two parties, as we know from the days of the Partition, were the *Yugantar* and the *Anushilan*. In the year of grace, 1936, have they been broken up? I say, no, because, only in May, 1935, we had a judgment in what is known as the Inter-provincial case. The judgment covers 400 pages, and I have no desire to inflict it on the House. But the Courts found it from the evidence in the case, which lasted a year and a half, that the ramification of these two parties spread over Calcutta and the Punjab, to South India, to Burma; and their conclusion was that this was one conspiracy which was going on, according to the finding of the Court, right up to some part of 1933, and the case was started at the end of 1933 or the beginning of 1934. I will read one paragraph from the conclusion:

"The conclusion from this evidence is that the conspiracy was one conspiracy, whether in Calcutta, in Bengal, in Burma, in the Punjab or in Madras It was a continuing conspiracy which did not come to an end with the arrest of the leader, Probhat Chandra Chakravarty."

In passing, I may inform the House that the brain of the conspiracy were five persons who were detenus, some of them having escaped from either village or home domicile, one from Buxa camp, and another man who was wanted but never arrested.

The judgment states:

"What were the objects of this conspiracy? We believe that they were as described by the witnesses who were privy to it, a succession of armed risings over India as a whole with robbery and dacoity and murder as its subsidiary objects and means to its final end. The model, so far as the methods of achieving the objects of the

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conspiracy was concerned, was Irish. It has been described as guerilla warfare the time for which had not arrived. We gather from the witnesses that the real outbreak was to come when the number of the members of the party was equal to the number of soldiers in the army. Members were being recruited mostly from among students. Money was being collected through the commission of dacoities; arms have been procured through sources which could only have been unlawful. This is a conspiracy which, so far as the evidence goes, seems to be confined almost entirely to the *bhadralok* classes, recruiting its members from among the more impressionable youths in schools and colleges."

Mr. M. Asaf Ali (Delhi: General): Was Bose an accused person in this case?

The Honourable Sir Nripendra Sircar: What answer does my Honourable friend expect from me? Why this interruption when I am getting only 15 minutes?

Mr. M. Asaf Ali (Delhi: General): I simply asked a question on a point of information and wanted an answer.

The Honourable Sir Nripendra Sircar: The answer is this. Mr. Asaf Ali knows, Bose was not an accused. The point is that we start with the *prima facie* strong evidence of a man who was Secretary of the All-India Congress Committee who was specially touring Bengal and was in touch with the Congress leaders, I mean Krishna Das, that the *Yugantar* party was under the control of, and among those who were led by this particular person, Mr. Subash Chandra Bose. I am trying to show that the main parties had not been broken up and that their members were guilty of this conspiracy and were committing these dacoities and murders all over India and Burma right up to the middle of 1933. That is the answer to the question as to whether conditions had so far improved after the letter of Krishna Das in 1931, that one need not take any notice of the *Yugantar* party or the *Anushilan* party. That is the point I will remind you of another fact, *viz.*, that if, as a matter of fact, things have improved so much in Bengal, that special powers of detention are now unnecessary, how is it that an Act giving special powers to the executive was passed in Bengal in 1934,—Act VII of 1934? Then, again, in 1935, an Act has been passed by which some of the special powers of the Executive, which were lapsing, have been extended for three years. The Legislature in Bengal, the executive in Bengal, have no doubt about the necessity of continuing these precautions even in 1935. This is solely on the point as to whether conditions in Bengal have so very much improved that no precautions need now be taken, and that detention necessary in 1932 is unnecessary now. Improving conditions justify increasing releases, but not the release of all now and at once.

Sir, one word more, and I have done. I do not exactly know what point my Honourable friend, the Deputy President, wanted to make. He pointed out that Mr. Bose was taken under Regulation III and not under the Bengal Criminal Law Amendment Act. I think he will concede that if he could be arrested under Regulation III, he could equally be arrested under the Criminal Law Amendment Act. In fact, the Criminal Law Amendment Act gives wider powers. I think, my Honourable friend knows perfectly well that, in respect of persons dealt with under Regulation III, Government are enabled to give them much greater facilities by way of increased accommodation and of increased maintenance than

the prisoners under the Bengal Criminal Law Amendment Act. My Honourable friend knows that Rs. 1,350 a month was being paid to Mr. Sarat Chandra Bose and a fairly decent amount had all along been paid to Mr. Subhash Chandra Bose. If Mr. Datta so prefers and Mr. Bose is dealt with under the Bengal Criminal Law Amendment Act, the only change will be that he will get a very limited allowance, and there will be other difficulties.

Mr. Akhil Chandra Datta: Was that my request?

The Honourable Sir Nripendra Sircar: No, that is not your request, but sometimes the best way to punish a man is to grant his prayer, and I am trying to show what will happen if he is dealt with under the Bengal Criminal Law Amendment Act. I know Mr. Datta contends that there should be no detention under any Act, but I was dealing with his pointless remarks about Regulation III being applied, and not the Bengal Act.

Mr. Akhil Chandra Datta: That is not the prayer.

The Honourable Sir Nripendra Sircar: Sir, I have finished.

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): Mr. President, the matter which has been put before the House requires a little closer examination than what has been applied to it by either the Honourable Mr. Hallett or the Honourable the Leader of the House. The real question underlying the announcement that emanated from the Government resolves itself into this, that they are now adopting methods—somewhat subtle methods of caution—of exiling people from this land only on their belief that, if they return to the country, the normal activities, by which this country is to be prepared for a democratic constitution,—to make people alive to their rights and their obligations—are all to be treated as crimes. One could understand the Russian method of lifting a person to be sent to Siberia and not allowing him to come back. There is undoubtedly a subtle improvement on that—the announcement that is made which is the subject of the motion this afternoon. But let me define the three issues as I ask the House to see in the matter which has been raised for debate. The first and foremost, as to which there has been a considerable amount of begging of the question, is the fundamental issue of the civic liberties of any Indian whatever not to be detained either inside or outside the country or exiled without a trial before a legally constituted tribunal under the law of the land. We shall never concede the right of any Government whatever to detain a man under those circumstances and to address arguments on the lower ground—on the ground "has a case been made out for executive action?" in substitution of the higher right and claim which we should always maintain for the freedom of men. That is the first issue, and on that not a word has been said as to why, during the years, when, except on one occasion when the Government had evidence enough, he was tried under section 124 and sentenced—on all succeeding occasions he has been detained or externed under circumstances under which, if there was evidence, it was the duty of the Government to try the man before a tribunal. The only answer, therefore, so far as that is concerned, is that, the Government not only do not propose, but do not venture to justify their action on the ground

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with which we have been familiar, namely, that the witnesses' lives are exposed to risk or danger, because there is no other reason given, so far as I am aware, by the Honourable Sir Henry Craik, in defence of the policy of detention without trial. All that he said is: "We have information which is not entirely based on police reports, but we are not able to let it out lest the lives of persons who have made statements, and would, therefore, be witnesses in the case are exposed to danger and to risk". But which are the true risks when we consider the broader issue? Is it the possible risk to the life or limb of a supposed witness who may or may not be telling the truth, or the liberties of the man who is deprived of it without trial, and his services being lost, so far as the country is concerned? It is impossible to bring home to this House, and particularly to those sitting on the other side, the agony of a high-souled man to whom the deprivation of the opportunities of service to his land is the greatest punishment—greater even than that which you can inflict upon him. (*Cries of* "Hear, hear".) It is impossible for me to imagine what freedom and liberty means when they talk glibly about conditions in Bengal. To that, I now next address myself. The principal issue is not whether the condition in Bengal has changed. The principal issue is: "Have you any evidence of the intention of Mr. Subhash Chandra Bose, on his arrival in India, of engaging himself in any activity—whether it exists independently of him or not?" (*Cries of* "Hear, hear.") In fact before a jury, the meanest possible jury, Sir N. N. Sircar would not dare address such an argument. He says: "I am not here to tell you that I have any evidence as to the man, as to whether he has the intention of taking advantage of his presence in this country to ally himself with what may be still an existing institution or not. On the evidence I have it that conditions exist of which advantage may or can be taken". They use words which are very difficult, they read sentences without any relation to each other, they read statements without bringing it home to persons as if those statements convey the actual declarations of the man himself. The true issue, therefore, before the House is this, for I do not recede from the first position that I took up, that this House, I hope and trust, will always stand for the civil liberty of man and a trial by the constituted tribunals if there is any charge against him. But assuming for the purpose of argument that there is a part of the House that requires the issue to be dealt with on the lower ground, I ask myself and I ask the House the question "has a word been said yet in support of it?" A history has been given to you which would be the history of the most innocent and the most respected hero of any country. (*Cries of* "Hear, hear.") It is said, he has capacity for organisation, he has ability, he has education, he took part in non-co-operation with which evidently Sir N. N. Sircar and his colleagues have no quarrel. He may have taken part in civil resistance with which also they do not see any quarrel or any vice. Therefore, the growth of a man in support of the liberties of his land and the methods that may be pursued—the earlier history—instead of being a credit seems to the little mind of those persons something against an individual. In fact, to us, who have been suppressed, the example of the growth of a man's mind and the way in which he ungrudgingly gave up his service for the freedom of his land—is anything but a crime that is said to emanate from him. I cannot see how, except the single fact of this letter of Krishna Das—taking as correct the evidence as to its genuineness which has been read out before you—all the rest

would not have been admissible in a Court of law. You cannot be allowed in giving evidence of the present intention of the man to say "Yes, from a school boy he grew up and up and up, and until he became the best of the Congress Nationals". If, in their eyes, that is a crime, all I can say is that the House, I hope, will not attend to that as being a part of an evidence. They think it may be an insidious method of argument, but in any Court of law, in any court of conscience, in any court of common sense, could we ever be told that, except that single letter of Krishna Das, anything has been said to this House—a great deal has been said about the condition of Bengal, a great deal has been said about the earlier biography of a man who gave up a big service in order to join non-co-operation—is that a crime or is that an act of sacrifice showing a large, generous, patriotic mind? What is it that he did? If he delivered a speech which was seditious, he was tried and punished. That cannot be a continuous crime or a recurring offence. If it was a recurring offence, there was nothing to prevent them trying him another time as they did Pandit Jawaharlal Nehru. Why did they then resort to this act for the purpose of what is called bestowing upon him a graceful pension—they can keep the pension if Subhash only can regain liberty. Therefore, the true issue before the House is this: Has any evidence been placed before this House—assuming that we are to judge the matter on this lower ground—of his immediate intention on his arrival in this country, so that the condition that is there in Bengal may provide a circumstance of which he is going to take advantage? And, of that, not a word has been said. But there is more than that, so far as I am able to state to this House. I am in possession, Sir, of correspondence—and from the way in which Government have copied practically every letter that I have hitherto received, from the manner in which it appears to have been re-gummed every time—I am sure they are in possession of the fact that he has the avowed intention of coming back to this country in order to take his proper and legitimate share in the activities of the Indian National Congress. And if there is one thing more than another of which it can be a conclusive evidence, even on the confession of my friends on the other side, it is that whatever the past and whatever his acts, his present and immediate intention with which alone you are concerned is that he is going to engage himself and to take part in an institution and organisation whose creed is both non-violence and truth. That part, therefore, is entirely known to them; and being known to them they cannot venture upon any evidence on the only issue before the House.

As I said, in 1931, it was said that Krishna Das reported that his inclinations were towards the *Yugantar* party: in fact, that, by itself, furnishes no evidence against Subhash; all that the letter states is that, from the information that he received Subhash was so inclined. Five years have passed since then, four of which he has passed in exile. All his declarations have been opened, and, if any correspondence had taken place, it could not have escaped the vigilance of Government. Therefore, mark you, since the year 1931, there is not an iota of evidence placed before this House, contrary to the avowed intention to which I have referred, which he has publicly stated and to which I am here to testify, that the man is coming here with any definite intention which could justify executive action of this kind. To exile a man for all time for fear of a revolution means this: that we cannot reorganise our country. If revolution means that we are going to reorganise the masses of this country, it seems from the speeches of the Honourable Mr. Hallett and

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the Honourable Sir Nripendra Sircar that it is a crime. On the one hand, you say "Your masses are not sufficiently awake; therefore, you cannot govern yourself. You have not the ground, you have not the basis, you have not the foundation for self-government". You pretend and profess that we should prepare ourselves for self-government, and yet all you do, when any man wants to reach the masses, is to put the police on his trail. And the executive is on their head as far as they can help. If that is the method by which your professions are to be judged, we cannot help thinking that, they are not only insincere, but they are worse than insincere. Every time a man goes about among the masses of the people, in order to teach them their fundamental rights and the methods of future Government, you put your police on his trail. I can give my own recent experience.

I went up to my constituency. I visited 75 village centres. Let alone the immense waste of expenditure on police—there were two buses, with the deputy superintendent of police and three other police officers, two shorthand writers, two long-hand writers and others. That is bad enough. All I told the policemen was this and they hung down their heads in shame—I said "Instead of running after robbers, dacoits and thieves, has it now become your business to run after patriots, men whom you desire should go among the masses of the people and teach them what their fundamental rights and duties are?" But that is not enough: the degradation does not stop there. In the earlier part of the tour we found these men bringing their own tables and chairs to show that they were superior to the rest of the men in the land. Whenever there was a song sung in the beginning about Homage to the Motherland (*Bande Mataram*), we used to get up and they used to do the same. Afterwards there was a change in their demeanour by reason of the orders which they got. They were waiting till the last moment lest they should miss the last word I had to say: and then swiftly they ran away; to that also I have no objection; but when I went further into northern parts, they got definite orders that it was a part of their duty at the risk of sacrifice of their service, that they should sit down while the rest of their fellow-countrymen were singing a song paying Homage to their own Motherland. (*Opposition cries of* "Shame"!) This is the degradation, this is the moral ruin which this Government have brought about in the name of law and order, in the name of executive action, and in the name of preserving the peace of the country. This Government turns men into beasts by ordering them to act against their country and their countrymen against their better judgment and their natural instincts and spontaneous inclinations.

Sir, that by itself is not enough. You always find that they are afraid of the word "revolution", and they confuse it with a movement of armed force. They are afraid. Why are they afraid of it? If there has to be revolution in this land before the people are awake to what they themselves desire in their heart of hearts to be the true foundation of democracy, then it is inevitable. Therefore, I support this motion on the ground that it involves the highest principle of civic liberties and the Government have produced no evidence of Subhash Chandra's immediate present intention to engage in any subversive activities with which alone this House is concerned. (Opposition Cheers.)

Honourable Members: The question may now be put.

Sir Abdul Halim Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Mr. President, coming as I do from Bengal, I think it is my duty to speak on this motion. Before I proceed with my speech, let me give an answer to my Honourable friend, the Leader of the Opposition. He has said "What is your evidence that Mr. Subhash Chandra Bose, when he comes back to India, will take again to terrorism or exciting people? You have no evidence whatsoever of his intention when he comes back to India. So far as we see, he is coming back to act as Secretary to the Indian National Congress. That is a very good movement, and why should you prevent him from coming back?" The answer is this, every time that he was released, the very first thing that he started was exciting people; and I will give you this instance first. When he was sentenced and when he was in Burma, he was released on the ground of ill-health. He was said to be suffering from tuberculosis. He came back to Calcutta, and the whole disease disappeared within a month, and he started exciting the youths of Bengal. He was again imprisoned: again, on the strength of ill-health, he was let out . . . .

An Honourable Member: How did the doctor certify?

Sir Abdul Halim Ghuznavi: . . . . and he again started youth and labour movements. That is the apprehension in the mind of the Government . . . .

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): How do you know?

Sir Abdul Halim Ghuznavi: This is what lawyers call antecedent probability. Then, again, the present condition of Bengal does not, according to the Government of Bengal, justify his release. He has been repeatedly told, as late as even last month, that any attempt on his part to come back to Bengal will not be allowed by the Government of Bengal. (Interruption.) He has been told that as soon as the situation improves, as soon as the time comes, they will allow him to come back, and they will be only too pleased to do so. His brother has been informed repeatedly to inform him, and my information was that he was not coming back to India, but recently I find in the newspapers that he is coming back. As I know, the policy of the Bengal Government has been to examine these cases regularly and most carefully . . . .

Mr. M. S. Aney (Berar Representative): We have heard it often: nothing new about it!

Sir Abdul Halim Ghuznavi: Hear it once more . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not take notice of such interruptions.

Sir Abdul Halim Ghuznavi: . . . . and as soon as they find that they can release Mr. Subhash Chandra Bose, he will be released. So late as 1934, the Bengal Council, by an overwhelming majority, ...

An Honourable Member: Unrepresentative!

Sir Abdul Halim Ghuznavi: You might as well call this an unrepresentative House—the Bengal Council passed the Bengal Criminal Law Amendment Act. As the Honourable the Leader of the House has just reminded

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this Honourable House, the Bengal Council passed without a division another Act extending some of the Acts giving special powers for three years. The judgment again in the inter-provincial case (*Some Honourable Members*: "Same brief") was delivered as late as in 1935. That is the position in Bengal, and, I find in today's *Statesman*, Sir, the Honourable Sir Robert Reid, the Home Member in the Government of Bengal, said in the Bengal Council:

"Since 1934 the country has been free from those outrages, and he claims that this is due to the measure the Government have taken including the detention of revolutionaries. It would be very unwise to accept any proposal that there should be a wholesale release of these men. The Government would not do their duty by the province if they were to take that step."

At the same time, he said:

"The Government were pursuing a policy of steady release whenever possible. A considerable number of detenus were being released on giving money bonds. Some had been set at liberty on certain conditions, and a number of them had been taken into training camps recently opened. They hoped that the youngmen who had offered themselves for training would by this means have their minds diverted from their previous inclinations and find it possible to earn a good living."

Sir, I hope Mr. Subhash Chandra Bose will have patience and be advised to prolong his stay on the Continent for a little longer (*Several Honourable Members*: "Who will bear his expenses?"), so that the position in Bengal may improve further and enable the Government to withdraw all restrictions so far as he is concerned, and then he can come back to India,—the country which he loves so much—and do his duty here. Sir, his brother was also under detention. As soon as the Government found themselves in a position to release him, he was released, and, I am sure, Sir, the Government will examine the case of Mr. Subhash Chandra Bose also from time to time, and, as soon as they feel that they can release him, he will be released. (*Some Members of the Opposition*: "Oh, Oh.") Sir, I oppose this motion.

Mr. M. Asaf Ali: Sir, I move that the question be now put.

Mr. F. E. James (Madras: European): Sir, it is not a very pleasant task to take part in a discussion of this kind, especially when the subject of the discussion relates to a person whom one has known in past years. I have had the opportunity of knowing Mr. Subhash Chandra Bose since the year 1920. I was, as a matter of fact, a member of the Committee in connection with the North Bengal Flood Relief Fund which operated in 1921, of which Mr. Bose was a most effective and efficient Secretary. I then had an opportunity of seeing first hand his consummate executive ability in operation. Then, Sir, I think it was in 1922, if I may take the House into my confidence for a moment, when Lord Lytton became the Governor of Bengal, he asked me and one of my colleagues if he could be brought into touch with some of the leaders of the younger generation in Bengal, not as a Governor, but as a man; and I remember that a private meeting was arranged at a private house, between Lord Lytton and five or six leaders of young Bengal, among whom was Mr. Subhash Chandra Bose. I have, even today, a vivid recollection of the very frank and open conversation which took place there between the Governor of the province and what was then described as the coming men in Bengal. Then, Sir, I also remember Mr. Bose as the Chief Executive Officer of the Calcutta Corporation. My Honourable friend and colleague, Mr. George Morgan, saw much of his work at close quarters, and I had from time to time in those days occasion to come in contact with Mr. Bose. Then came his detention in 1924. I may say that on that occasion I and some of my colleagues, who were then Members of the Bengal Legislative Council, were so anxious to be perfectly convinced that the evidence on which action was taken was beyond question that we went to see the Governor of Bengal and had to be personally satisfied by him before we were prepared to say that the action that had been taken by the executive was justified. Then, Sir, later, after his release from this period of detention, Mr. Bose was a Member of the Bengal Legislative Council where there was a very pretty struggle for leadership between himself and Mr. J. N. Sen-Gupta, a struggle which divided and has continued to divide the Congress Party in Bengal. I may say that during his membership of the Bengal Legislative Council, when I was also a Member, I renewed my acquaintance with him; and I came, I think, to appreciate his ideals and the gradual trend of his mind towards certain methods of carrying out those ideals. These methods, I believe, are to this day clearly fixed in his mind, as the only satisfactory methods for carrying out what he desires for this country,—but I shall come to that later. Mr. Bose is a man of many parts, he has filled many roles. I remember one day, I think it was at the time of the Congress session in Calcutta seeing Mr. Bose as a Captain (*An Honourable Member*: "G.O.C."), yes, as the General Officer Commanding the Congress Cavalry riding proudly through the streets in the North end of Calcutta City on a white horse (*An Honourable Member*: "He was in a car.") He was at one time riding on a white horse, but perhaps feeling somewhat uncomfortable he came down from the horse and finished the journey in a car sitting on the back.

Sir, the Honourable the Leader of the Opposition has, I think, said quite rightly that these somewhat varied and lurid experiences of Mr. Bose's past are not necessarily the points at issue today, although they may, of course, and must and should properly colour any decisions reached in regard to any action that should be taken against him now. But the real point at issue is as to what are the apprehensions as to the future. Now, Sir, I understand that Mr. Bose was actually released on grounds of health, and that he was released on the understanding, and I must stand corrected if I am wrong here, that he should go abroad for those purposes.

The Honourable Sir Henry Craik: He wanted to go.

Mr. F. E. James: I understand that he desired to go abroad, may be for other reasons, but primarily for reasons of health, and that he received treatment in Europe. On those grounds he was released. There has been, so far as I understand, no statement on the part of Mr. Subhash Chandra Bose that he does not propose in future to associate himself with those movements with which he was undoubtedly associated in the past when I knew him. On the contrary, there have been very definite statements made in Europe in recent weeks and months, which, to my mind, make it perfectly clear that the methods for which he stood then are still dominant in his mind as the only effective methods to be followed in this country, in the achievement of the ideals to which the Honourable the Leader of the Opposition has referred. Mr. Bhulabhai Desai is not afraid of revolution; but is he sure that the revolution

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he is thinking about is the same kind of revolution that Mr. Subhash Chandra Bose is thinking about? Is he perfectly certain that the Congress that he is thinking about is the same kind of Congress with the same kind of activities that Mr. Bose is thinking about? There has been some remarkable evidence in recent press statements issued by Mr. Bose himself. There is here, taken from the *Hindustan Times*, a report of a speech which Mr. Bose delivered recently in Dublin. In the speech he dwelt on the need for propaganda in this country and the need for propaganda against false conceptions of this country in foreign lands. He went on to say that the movement for independence in India was going on different lines from those of the past. He emphasised that the day was not far off when they would have in India a bigger upheaval than was witnessed in 1930, or at any time within the last hundred years. In another article, which was published in this country, I think it was in November, of last year, he made the statement that the aggressive movement in this country had merely been suspended as it was decided to rally their forces and to prepare for another upheaval; and that the general expectation today in India was that, when the new Constitution was put into operation in about twelve months' time, it would be the beginning of a fresh agitation—I would mark the words—"a fresh agitation" coming as they do after the words "prepare for another upheaval."

Now, Sir, my Honourable friend, the Mover of this motion, made a stirring plea for a calm atmosphere in this country for the inauguration of the reforms. Does he really consider that the programme to which Mr. Bose has today committed himself is the best kind of progarmme for the creation of a calm atmosphere in this country? Does he really believe that the return of Mr. Bose, unrepentant for the past, determined to carry into the future a method which, to put it bluntly, is the method of mass revolution through the force of arms,—does he really believe that this is a method or a progarmme which should be permitted to be inaugurated in this country at a time when, on his own admission, there is need for a calm atmosphere for the inauguration of the reforms? Sir, as far as our own community is concerned, particularly in Bengal, I think I am voicing their unanimous feeling when I say that they are anxious that nothing should be done at the present moment which would run the risk of undoing what has already been done in the way of grappling with the terrorist menace. I am perfectly sure that, with his known antecedents, with his present professions of policy, they would not wish that Mr. Bose should be given free leave to return to this country and to resume those activities, possibly on a nation-wide scale, which not only previously caused untold misery in Bengal, but which were the fullest justification for his internment before his last release.

Several Honourable Members: Let the question be now put.

The Honourable Sir Henry Craik: I will begin by referring very briefly to a point raised by the Honourable the Deputy President about a question I had answered in September last. I was asked then if Mr. Bose would be allowed to come back to India, and I replied, "Yes, unless any restriction is imposed before his return". If, by anything I said then, I quite unconsciously conveyed a wrong impression, I can only apologise. What I meant was that he held a passport valid for a return journey to India, but we had then no information that he intended to return, and, therefore, we had not conveyed any warning. I have reason to believe that, very shortly after that, he perfectly clearly appreciated himself what the position was, and I do not think that anybody was really deceived.

My Honourable friend, Mr. Hallett, has dealt with the earlier history of Mr. Subhash Chandra Bose, and has shown very clearly his connection, his intimate connection, with the terrorist movement. It is not the case, as the Honourable the Leader of the Opposition put it, that he was inclined to dally with certain ideas. Our case is that his party was the *Yugantar* Party and that that was his main support in his political campaign, that he was the head or one of the heads of this terrorist organisation, and that it was on that account that he was put away in January, 1932. By his internment, of course, his connection with terrorism was perforce closed, but nonetheless his restless mind continued to harbour thoughts of revolution, and I have evidence to prove that. Let me say quite clearly that when I speak of revolution in this connection, I mean, not a peaceful revolution or change of ideas, but violent revolution brought about by a mass rising. He was interned, as I said, in January, 1932, and he was allowed to go away from India for medical reasons in February, 1933. He appears to have spent his time in Europe largely in writing a book,—"The Indian Struggle"—which we had to ban because of what we conceived would be its very deleterious effect on the minds of youth in this country. That book was published as recently as 1935, and the conclusion which any impartial reader of that book—and I have read it carefully—must draw is that throughout the civil disobedience or non-co-operation struggle the one thing that Mr. Bose regretted was the limitation imposed on that struggle by Mahatma Gandhi's creed of non-violence. Time after time he implies that it was non-violence that led to the failure of the Civil Disobedience Movement. If you put yourself into the mind of the author, it is clear that throughout he regrets that limitation was put upon it, and that, if he had been the leader, he would have changed the non-violent creed.

Pandit Nilakantha Das: Can you quote passages to prove it?

The Honourable Sir Henry Craik: I have not time now to make quotations.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Please send me the book to read.

The Honourable Sir Henry Craik: In the autumn of 1932, we became aware of a revolutionary organisation, called the *Samyavadi Sangha*. We had reason to believe that Mr. Subhash Chandra Bose was concerned with that, and, in a house search in Bombay, we came across certain letters that he had written when he was under treatment in the sanitorium at Bhowali in December, 1932. These letters were found early in 1933 in a house search in Bombay, and I have here a photographic copy of them, throughout in Bose's handwriting and signed by his name. I am prepared to show them to any Member or to lay it on the table. The principal letter says:

"As a matter of fact, the present programme of the Congress based as it is on the adjustment of interests and not on radicalism, cannot achieve much more. The two great limitations imposed by Gandhiji on the Congress programme are (1) non-violence and (2) non-interference with the vested interests in Indian society. Within these

[Sir Henry Craik.]

restrictions much scope does not exist for a militant plan of action. The Congress has not attempted an armed struggle—it only attempted to paralyse the civil administration. In the latter objective, it has failed. The military and civil administration of the country is altogether unimpaired. How then can we expect Swaraj? Do we really want Swaraj? If so, we have to face two problems. Firstly how to overthrow the armed forces of the Crown—or at least how to keep them engaged. And secondly, how to paralyse the civil administration of the country. We must make it physically impossible for the law courts to function and for revenue, income-tax, etc., to be collected, while the army is kept engaged. The Irish method, for example, was to keep the entire army engaged through guerilla warfare—while the civil administration was completely wrecked by the volunteers. My view is that these two problems can no longer be shirked. To solve them we must fall back on the support of the masses. To get their support, we must stand for a Socialist republic the establishment of which, will serve the real interests of the masses. Hence the left wing of the Congress must immediately organise itself as an all-India party with a socialist programme and a militant plan of action. I want the nucleus of an organisation to be started at once. I think we must organise under the name of the *Hindustani Samyavadi Sangha* . . . ."

And that is why he tried to start this organisation called the *Samyavadi Sangha*. This is the important part of that letter. A year or two later, this *Samyavadi Sangha* was actually found to be in existence in the Madras Conspiracy Case, where it was formed by released terrorist prisoners in Madras who had come into contact with Bengal terrorists in the jails in Madras. The Madras Conspiracy Case brought out that an organisation was formed among these released terrorist prisoners, though the name *Samyavadi Sangha* was later changed into the Hindustan Socialist Republican Army.

That letter is most definitely of a revolutionary character. It shows that the author is pledged up to the hilt and that his own ideas were in favour of pure revolution and violent revolution at that.

In May, 1933, to carry on my story, when Subhash Chandra Bose was living at Vienna, we intercepted a cyclostyled pamphlet. I have it here. The address on the wrapper is plainly in Bose's handwriting. The postmark is that of Vienna. It is called "India at the Cross-Roads" by "A Samyavadi". It contains the usual allegations about the repressive policy of Government, and so on. I do not propose to go into those, but it sums up the present situation in the country. The Congress, it says, has failed in its appeal to the Indian servants of the Crown in India. No attempt has been made to win over the Indian army and the Indian police. They are still loyal to the present regime:

"It should always be remembered that a nationalist movement can succeed in paralysing a foreign government only when either or all of the following steps are taken :—The prevention of tax and revenue collection, the adoption of measures whereby help from other quarters—whether financial or military—may not reach the Government in times of distress."

What does that mean?

Mr. M. S. Aney: It means non-co-operation.

The Honourable Sir Henry Craik: It means the cutting off of communications all over the country, and possibly the stopping, by some method, of troops coming from England:

"Thirdly, winning over the sympathy and support of the present supporters of the British Government in India, that is of the Army, the Police and the subordinate Civil Servants, so that orders given by the Government for crushing the movement will not be carried out. Fourthly, actual attempt to seize power by force of arms."

Is that not violent revolution? Is that what the Honourable the Leader of the Opposition described as the ordinary methods by which the country is being prepared for a democratic constitution? I leave it to the House to judge. The pamphlet continued:

"The last step must be ruled out because the Congress is pledged to non-violence but it is nevertheless possible to paralyse the present administration and compel it to submit to our demands if we can adopt the following measures :—Prevent the collection of taxes and revenue; through labour and peasant organisation prevent all kinds of help from reaching the Government when they are in difficulty; and win the sympathy and support of the Government's own supporters by means of our superior propaganda. If these three measures are adopted, the Governmental machinery can be thrown out of gear."

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): What is the date of that?

The Honourable Sir Henry Craik: This was intercepted in May, 1933. Well, I ask the House: Can you have a more definitely revolutionary pamphlet than that? It was sent to this country cyclostyled and not printed, and I claim that the Government, or any Government for the matter of that, would have acted with incredible folly if they had allowed a man of Bose's intellect—for he is admittedly a man of great intellect and great organising capacity—to enjoy his freedom and put such ideas into execution.

Then, we go on to another phase of his activity—the presidential speech which he intended to deliver at the Third Indian Political Conference in London in June, 1933. He was prevented from doing that, because he could not get a passport entitling him to land in England but he printed his speech and that had to be banned in India. Much of his speech is very similar to this document which has been intercepted, though the ideas are expressed in more restrained language. I shall give a few quotations. He says that compromise between England and India is out of the question:

"There are no common interests which make a compromise possible and desirable. The only solution of the present deadlock that is possible is through the attainment of India's freedom. This implies the defeat of the British Government in India. How India can win freedom for herself, we shall now have to consider. . . . . The Congress hoped to win political freedom for India by paralysing the civil administration of the country through non-co-operation and civil disobedience. It is necessary to analyse the causes of our failure in doing so in order that we may be more successful in future. India therefore must resolve to launch another fight on a bigger and more intensive scale."

And, then, he talks of the intellectual equipment necessary to carry out this resolve. The language used here is much more restrained and cautious than that of the cyclostyled pamphlet, but from its spirit and terms and in many cases from the actual phraseology used, there is no doubt that both were composed by Mr. Subhash Chandra Bose himself. Both of them are frankly revolutionary. The "Samyavadi India of the future" is another document which came to light in 1934. I cannot say definitely that that was written by Subhash Chandra Bose, but it is part of the same movement, and, there, again, the language is very closely akin to his. However, as that is not definitely known to be his, I will pass it over very briefly, but it does describe what are the objects of this Samyavadi Association of which Bose was one of the first organisers, if not the principal organiser. The lower ranks of the Indian Army are to be won over—that is, seduced from their allegiance. The lower ranks

[Sir Henry Craik.]

of the Indian police, who also come from the peasantry, are to be won over. The lower ranks of the different departments of the civil services, who hardly get a living wage, are also to be won over. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

The Honourable Sir Henry Craik: Well, Sir, I will conclude. I have much more evidence, but I will only say that I hope I have said enough to show that, not only has this man a definite terrorist connection, but that he has been harbouring, to the best of my belief, up to this day, definite ideas of a violent revolution: and I say that the executive would be failing in its duty if it allowed such a man freedom to carry out those ideas in India.

An Honourable Member: I move:

"That the question be now put."

Voices: No, no, no, no.

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The question is:

"That the question be now put."

The Assembly divided:

AYES—65.

Aaron, Mr. Samuel.
Abdul Matin Chaudhury, Mr.
Abdullah, Mr. H. M.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Ba Si, U.
Badi-uz-Zaman, Maulvi.
Banerjea, Dr. P. N.
Bhagavan Das, Dr.
Chattopadhyaya, Mr. Amarendra Nath.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Venkatachelam.
Chunder, Mr. N. C.
Das, Mr. B.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Essak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Gauba, Mr. K. L.
Giri, Mr. V. V.
Gupta, Mr. Ghanshiam Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Joshi, Mr. N. M.
Kailash Behari Lal, Babu.
Khan Sahib, Dr.
Khare, Dr. N. B.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta
Malaviya, Pandit Krishna Kant
Mangal Singh, Sardar.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Murtuza Sahib Bahadur, Maulvi Syed.
Nageswara Rao, Mr. K.
Paliwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhuri.
Rajan, Dr. T. S. S.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Satyamurti, Mr. S.
Shaukat Ali, Maulana.
Sheodass Daga, Seth.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Thein Maung, Dr.
Umar Aly Shah, Mr.
Varma, Mr. B. B.
Vissanji, Mr. Mathuradas.

NOES—56.

Abdoola Haroon, Seth Haji.
Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhutto, Mr. Nabi Baksh Illahi Baksh.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das-Gupta, Mr. S. K.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Ghiasuddin, Mr. M.
Ghuznavi, Sir Abdul Halim.
Gidney, Lieut.-Colonel Sir Henry.
Grigg, The Honourable Sir James.
Grigson, Mr. W. V.
Hallett, Mr. M. G.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Lal Chand, Captain Rao Bahadur Chaudhri.
Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Morgan, Mr. G.
Muhammad Nauman, Mr.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Raja Sir Vasudeva.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sinha, Raja Bahadur Haribar Prosad Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Witherington, Mr. C. H.
Yakub, Sir Muhammad.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.
Ziauddin Ahmad, Dr.

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the House do now adjourn."

(After the ringing of the Division Bell had stopped and before the President called on the Honourable Members to divide).

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I rise to a point of order.

Mr. President (The Honourable Sir Abdur Rahim): There can be no point of order at this stage.

The Assembly divided:

(When Division was proceeding, some Honourable Members were noticed forcibly dragging some other Honourable Members to vote one way or the other.)

Mr. President (The Honourable Sir Abdur Rahim): Order, order. Honourable Members should not interfere with other Honourable Members in their freedom of voting.

AYES—62.

Aaron, Mr. Samuel.
Abdullah, Mr. H. M.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Ba Si, U.
Badi-uz-Zaman, Maulvi.
Banerjea, Dr. P. N.
Bhagavan Das, Dr.
Chattopadhyaya, Mr. Amarendra Nath.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Venkatachelam.
Chunder, Mr. N. C.
Das, Mr. B.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Gadgil, Mr. N. V.
Gauba, Mr. K. L.
Giri, Mr. V. V.
Gupta, Mr. Ghanshiam Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Kailash Behari Lal, Babu.
Khan Sahib, Dr.
Khare, Dr. N. B.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Murtuza Sahib Bahadur, Maulvi Syed.
Nageswara Rao, Mr. K.
Paliwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhuri.
Rajan, Dr. T. S. S.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Satyamurti, Mr. S.
Shaukat Ali, Maulana.
Sheodass Daga, Seth.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Thein Maung, Dr.
Umar Aly Shah, Mr.
Varma, Mr. B. B.
Vissanji, Mr. Mathuradas.

NOES—59.

Abdoola Haroon, Seth Haji.
Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhutto, Mr. Nabi Baksh Illahi Baksh.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das-Gupta, Mr. S. K.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Ghiasuddin, Mr. M.
Ghuznavi, Sir Abdul Halim.
Gidney, Lieut.-Colonel Sir Henry.
Grigg, The Honourable Sir James.
Grigson, Mr. W. V.
Hallett, Mr. M. G.
Hidayatallah, Sir Ghulam Hussain.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Jehangir, Sir Cowasji.
Khurshaid Muhammad Khan Bahadur Shaikh.
Lal Chand, Captain Rao Bahadur Chaudhri.
Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Mody, Sir H. P.
Morgan, Mr. G.
Muhammad Nauman, Mr.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Raja Sir Vasudeva.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sinha, Raja Bahadur Harihar Prosad Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Witherington, Mr. C. H.
Yakub, Sir Muhammad.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.
Ziauddin Ahmad, Dr.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the

LEGISLATIVE ASSEMBLY.

Tuesday, 24th March, 1936.

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

MEMBER SWORN.

Mr. Arthur Shelden Hands, C.I.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

VACANCIES IN CERTAIN DEPARTMENTS OF THE GREAT INDIAN PENINSULA RAILWAY.

1425. ***Khan Sahib Nawab Siddique Ali Khan:** (a) Will Government be pleased to state how many vacancies in the cadre of the subordinate staff in the following Departments of the Great Indian Peninsula Railway occurred during the year 1935:

(i) Transportation Department, (ii) Commercial Department, (iii) Engineering Department, (iv) Medical Department, (v) Mechanical Department, and (vi) Interlocking Department?

(b) Were these vacancies in different Departments advertised in papers?

(c) Were any of the vacancies referred to above filled by direct recruitment?

(d) Were these posts directly filled advertised in papers?

(e) How many of the total number of the new appointments, either by direct recruitment or by promotion were Muslims?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

ASSISTANCE TO BRITISH SHIPPING.

1426. ***Mr. S. Satyamurti:** (a) Will Government be pleased to lay on the table a copy of the communication received by them from the Secretary of State regarding the need of assistance to British shipping on the part of the Government of India referred to in the reply of the Honourable the Commerce Member to sub-clause (b) of starred question No. 24 put by me in the Assembly on the 4th February, 1936?

(b) Will Government be pleased to state whether in a letter addressed by the Commerce Department of the Government of India to the Indian Chamber of Commerce, Calcutta, on the 26th January, 1935, it was stated that the Government of India were not required to take any action in

regard to the despatch sent by Sir John Simon on the subject of Empire maritime policy and that consequently they did not see any necessity of consulting Indian commercial opinion or Indian shipping interests in the matter?

(c) Will Government be pleased to state whether the action taken by them in issuing a circular to Local Governments, Municipalities, Port Trusts, etc., to support Empire shipping is not in pursuance of their support to an Empire maritime policy, and if so, whether they consulted Indian commercial opinion before issuing the said circular?

The Honourable Sir Muhammad Zafrullah Khan: (a) I regret I am not in a position to do so, as the document is confidential.

(b) Yes.

(c) As regards the first part of the question, the Honourable Member's attention is invited to the reply given by me to the supplementary questions asked by him on the 13th September, 1935, in connection with Pandit Sri Krishna Dutta Paliwal's starred question No. 369. The reply to the second part is in the negative.

Mr. S. Satyamurti: Was the document referred to in part (a) of the question treated as confidential from the very beginning, or was it marked confidential after my question?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid I do not appreciate the distinction, but it is a confidential document.

Mr. S. Satyamurti: What I want to know is, whether, all along, the Government treated this as a confidential document,—I take it that they have got two sets of papers, confidential and non-confidential—or whether they treated it as confidential after the receipt of my question.

The Honourable Sir Muhammad Zafrullah Khan: As I have said, I am unable to appreciate the distinction. I do not know whether the method is that, immediately a document is received, it is docketed either as confidential or non-confidential. The question has arisen whether the contents of it can or cannot be disclosed; the document being of a confidential nature, I am afraid the contents cannot be disclosed.

Mr. S. Satyamurti: Apart from its being confidential, may I know whether any public interest is likely to be affected adversely by the House being told of the contents of a document from the Secretary of State asking them to assist British shipping?

The Honourable Sir Muhammad Zafrullah Khan: After all, it is always a question of individual judgment, and I am afraid that in my judgment public interest does not require that the contents should be disclosed.

Mr. S. Satyamurti: With reference to the answer to part (b) of the question, may I know whether Government received any such written communication as is referred to in the question?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid there nas been some confusion with regard to these two documents.

(b) refers to a despatch by Sir John Simon as Foreign Secretary; no such document has been received by the Government of India.

Mr. S. Satyamurti: With reference to the answer to part (c) of the question—I presume the answer to the second part is in the negative—may I know why Government did not consult Indian commercial opinion before issuing the circular?

The Honourable Sir Muhammad Zafrullah Khan: The action taken by Government did not in any manner involve a departure from their policy in these matters, and, therefore, it was not considered necessary to consult Indian commercial opinion.

Mr. S. Satyamurti: Did Government consider their policy in the light of the need for encouraging Indian shipping, which has got a very small part of Empire shipping in issuing the circular, and in that connection why did they not consult Indian commercial opinion?

The Honourable Sir Muhammad Zafrullah Khan: I have explained, in answering previous supplementaries, that the term "Empire shipping" includes Indian shipping as such, and, therefore, if Local Governments and Municipalities were to encourage the use of Indian shipping as distinct even from other Empire shipping, the purpose of that circular letter would be fulfilled.

Qazi Muhammad Ahmad Kazmi: Yesterday we were told by the Honourable the Home Member that they make up their mind as to the advisability of issuing a particular document to the public after reading it. In this particular case, did Government make up their mind that the document was confidential after it was received from the Secretary of State and read by the Government, or from the very beginning?

The Honourable Sir Muhammad Zafrullah Khan: What stage was the very beginning? The very beginning of the stage would be the reading of the document.

Qazi Muhammad Ahmad Kazmi: So far as the nature of the question is concerned, it is a question of public importance. If, in the natural course of events, a document was of public importance, there would be no harm in showing it at least to the Members of the Assembly, but as it is being said that it was a confidential document, may I ask whether its being confidential was discovered after it was read by the Government of India?

The Honourable Sir Muhammad Zafrullah Khan: The nature of each document is to be decided and appreciated after it has been read. You do not know what a document is before you read it.

Qazi Muhammad Ahmad Kazmi: Does it contain any information or any instructions against the interests of India?

The Honourable Sir Muhammad Zafrullah Khan: That is putting the question in a different form as to the contents of the document which I have refused to disclose; but the answer is no.

Qazi Muhammad Ahmad Kazmi: Will Government state the reasons for treating the document as confidential?

The Honourable Sir Muhammad Zafrullah Khan: Certainly not.

ASSISTANCE TO BRITISH SHIPPING.

1427. ***Mr. S. Satyamurti:** (a) Will Government be pleased to state what final action has been taken by them in connection with representations received from the India Office in regard to travel of civil and military officers serving under the Government of India and receiving the benefit of the Lee passage concessions referred to in starred question No. 640 by Mr. K. C. Neogy asked in this House on the 6th March, 1933?

(b) Will Government be pleased to state whether these representations have now been accepted by them and whether they form part of the integral policy of the Government of India to assist British shipping?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state whether they have consulted Indian commercial bodies, including Indian shipping interests, in this connection and if so, what were the views submitted by them?

The Honourable Sir Henry Craik: (a) and (b). I would refer the Honourable Member to paragraph 1 of the Commerce Department letter of the 22nd March, 1935, a copy of which was placed on the table in reply to starred question No. 369 on the 13th September, 1935. I also lay on the table a copy of the circular referred to in that letter dated the 17th March, 1934.

(c) No.

D. O. No. F. 55/33-Ests.

GOVERNMENT OF INDIA.

HOME DEPARTMENT.

New Delhi, the 17th March, 1934.

DEAR SIR,

The Secretary of State and the Government of India have recently had under consideration the question of the arrangements regarding passages provided for officers at Government expense. It has been urged that the promotion and development of Imperial Trade are dependent to a large extent upon the maintenance of the shipping of the British Empire; and that at a time when Imperial shipping is meeting with severe and unequal competition from State-aided foreign lines it is reasonable that officers who receive grants from Government in respect of passages should be required in the interests of the Empire to travel by Empire-owned ships.

The Secretary of State and the Government of India would be reluctant to impose restrictions on the freedom which officers of the Indian Services entitled to Lee concession passages have hitherto enjoyed as regards choice of vessel. At the same time the maintenance of Imperial shipping is an interest of the whole Empire and any tendency on the part of officers of the Indian Services to patronise State-aided foreign lines when travelling to or from India is detrimental to that interest. The Secretary of State and the Government of India therefore hope that all officers entitled to concession passages will bear these important considerations in mind and travel only by Empire ships, save in exceptional cases where there are very special reasons for travelling by foreign lines.

Yours sincerely,

(Sd.) M. G. HALLETT,

Secretary to the Government of India.

Mr. S. Satyamurti: May I know why they did not consult Indian commercial bodies, including Indian shipping interests, in this connection?

The Honourable Sir Henry Craik: My Honourable friend, the Commerce Member, has just explained that.

Mr. S. Satyamurti: No, this refers to the Lee passage concessions, that refers to Empire shipping and encouragement by local bodies and Local Governments.

The Honourable Sir Henry Craik: The circular did not refer to British shipping; it referred to Empire shipping. I cannot see any necessity to consult Indian commercial opinion.

Mr. S. Satyamurti: But, does the order relating to the benefit of the Lee passage concessions being availed of refer to British shipping or Empire shipping as a whole?

The Honourable Sir Henry Craik: Empire shipping.

INSTRUCTIONS TO HIGH OFFICIALS NOT TO COLLECT MONEY FOR PUBLIC INSTITUTIONS.

1428. ***Mr. S. Satyamurti:** Will Government be pleased to state whether they have issued or propose to issue instructions that high officials should not go about collecting money for public institutions, as it gives rise to misunderstanding?

The Honourable Sir Henry Craik: The Government of India have not issued, and do not consider it necessary to issue, instructions that high officials should not go about collecting money for public institutions. But the Government Servants' Conduct Rules, 1935, contain certain rules which restrict the freedom of officers subject to those Rules to collect subscriptions. I invite attention to Rule 4 (2) (c) and Rule 6; the former rule enables local Governments to issue general or special orders on the point. I have no doubt they have done so when necessary.

Mr. S. Satyamurti: Will Government consider the specific point of issuing rules prohibiting police officers and judicial officers from going about collecting public subscriptions?

The Honourable Sir Henry Craik: It is for Local Governments to consider that.

Mr. S. Satyamurti: Will the Government of India say whether their attention has been drawn to the fact that the Chief Justice of the Lahore High Court has been going about collecting subscriptions for the Boy Scout movement, and that one litigant offered Rs. 10,000, and that this was in the first instance refused and accepted afterwards?

The Honourable Sir Henry Craik: I understand the Honourable Member put down a question on that point and it was disallowed.

Mr. President (The Honourable Sir Abdur Rahim): The Chair thinks it disallowed that question.

STENOGRAPHERS IN THE GOVERNMENT OF INDIA DEPARTMENTS.

1429. ***Sir Muhammad Yakub:** (a) Will Government be pleased to state how many stenographers there are in all the Departments of the Government of India, including the Defence and the Foreign and Political Departments and all the attached offices?

(b) How many of them are:

(i) Muslims; and

(ii) Hindus?

(c) If the answer to the preceding part shows that the representation of the Muslims is below the percentage fixed by the Government of India for services under them, will Government be pleased to state what steps they are taking to make up the deficiency?

(d) In how many Departments of the Government of India are there no permanent Muslim stenographers?

The Honourable Sir Henry Craik: (a), (b) and (d). The information is being collected and will be laid on the table in due course.

(c) I would invite attention to paragraph 5 of the Supplementary Instructions issued in connection with the Resolution of the 4th July, 1934, a copy of which is in the Library. It will be seen that the percentages apply to vacancies and not to posts. I would also invite attention to my reply to parts (d) and (e) of Mr. Anwar-ul-Azim's starred question No. 770 on the 9th March, 1935.

OPIUM EVIL AMONG THE WORKERS IN BURMA.

1430. ***Mr. Ram Narayan Singh:** Has the attention of Government been drawn to the report of the International Labour Office in connection with the increasing opium evil among the workers in Burma, and, if so, what is the step or steps they are proposing to take to remove this evil?

The Honourable Sir Frank Noyce: The Honourable Member is presumably referring to the International Labour Office Report entitled "Opium and Labour", which is a documentary investigation covering various countries and prepared for submission to the Twentieth Session of the International Labour Conference in June, 1936. I cannot find any reference in it to the increase of the opium habit, but if the Honourable Member refers to the report he will find references to the control exercised by the Local Government, who are concerned in the matter, and to their views on the subject.

RATIO FOR RECRUITMENT OF INDIANS AND EUROPEANS IN THE RAILWAY GAZETTED SERVICES.

1431. ***Pandit Sri Krishna Dutta Paliwal:** (a) Is it a fact that in the matter of recruitment the principle of 75 per cent. Indians and 25 per cent. Europeans and Anglo-Indians was clearly laid down for the Railway gazetted service?

(b) Are Government aware that the Railway lower gazetted service has been established recently? If so, why?

(c) Are Government aware that in this lower gazetted service, the ratio of 75 per cent. Indians and 25 per cent. Europeans and Anglo-Indians is not maintained? If so, why?

(d) What is the total number of men recruited directly or by promotion to this lower gazetted service, and what is the ratio of the Indians therein?

(e) Will Government state why the ratio of 75 per cent. Indians in the matter of recruitment to this lower grade service was not maintained?

The Honourable Sir Muhammad Zafrullah Khan: (a) No. So far as recruitment to the Superior Railway Services is concerned 75 per cent. has been fixed for Indians, including Statutory Indians, and 25 per cent. for Europeans.

(b) This service was constituted in March, 1931, as a result of the re-organisation of the gazetted cadres of the State-managed Railways, and also with a view to provide an incentive to deserving subordinates.

(c) and (e). The reply to the first part is in the affirmative. As regards the latter part recruitment to these services is mainly by promotion in which communal considerations do not arise.

(d) The information is not readily available and Government do not consider the expense and labour involved in collecting it will be commensurate with the results likely to be obtained.

Prof. N. G. Ranga: Does the term "Statutory Indians" cover Anglo-Indians also?

The Honourable Sir Muhammad Zafrullah Khan: Yes, Sir.

CONSTITUTION OF SUB-COMMITTEES ON WHEAT, PADDY AND RICE.

1432. ***Prof. N. G. Ranga:** Will Government be pleased to state:

(a) how they propose to constitute the sub-committees on (1) paddy and rice, and (2) wheat;

(b) whether the Local Governments will be represented on these committees through their Ministers and Directors of Agriculture;

(c) whether the peasants raising paddy and wheat will be represented on those committees;

(d) if so, whether the Local Governments will nominate the members to represent the producers of paddy and wheat; and

(e) whether Government are prepared to consider the advisability of permitting the Peasants' Associations, wherever they exist to elect the members of the committees for their respective provinces?

Sir Girja Shankar Bajpai: (a) to (c). I would invite the Honourable Member's attention to the press communiqué dated the 19th February, 1936, issued by the Imperial Council of Agricultural Research Department.

(d) Yes.

(e) It is for the Local Governments to consider this suggestion.

Prof. N. G. Ranga: Is it not a fact that in the case of Chambers of Commerce and Merchants' Chamber, whose representatives are given a place in some of the Government Committees, that the Government of India themselves stipulate how they are to be elected?

Sir Girja Shankar Bajpai: It does not stipulate how they are to be elected, but it calls upon a Chamber to nominate a representative. The explanation of that is that these Chambers are well established and recognised institutions.

Prof. N. G. Ranga: Will Government consider the advisability of recognising peasants' association in the same way as these Chambers of Commerce and Merchants' Chambers?

Sir Girja Shankar Bajpai: My Honourable friend will appreciate the fact that it is not possible for us sitting here to ascertain what exactly the strength or representative character of a peasants' association in a province is. I am quite prepared, if my Honourable friend would give me the name of a province or two whose peasants' associations he wishes to be recognised, to consult the Local Governments on the point.

UNSYMPATHETIC AND ANTI-INDIAN ATTITUDE OF THE EDUCATIONAL ADVISER FOR INDIAN STUDENTS AT OXFORD.

1433. ***Prof. N. G. Ranga:** Will Government be pleased to state:

(a) whether they are aware of the fact that Mr. Williamson, the Educational Adviser for Indian students at Oxford was once a Punjab Civilian,

(b) whether he retired on proportionate pension on the advent of the Montagu-Chelmsford Reforms, as he was unwilling to serve in the Indian Civil Service owing to the Reforms;

(c) whether they consider such a person to be suitable to be sympathetic towards Indian students seeking admission into Oxford and studying at that University, and

(d) whether they are aware of the fact that great discontent prevails among the Indian students at Oxford against his unsympathetic and anti-Indian attitude?

Sir Girja Shankar Bajpai: Enquiries on certain points have been made and an answer will be furnished in due course.

PREVALENCE OF MALARIA IN CERTAIN PARTS OF THE MADRAS PRESIDENCY.

1434. ***Prof. N. G. Ranga:** (a) Will Government be pleased to state whether they are aware of the prevalence of malaria in several parts of the Madras Presidency, such as Kurnool, Vizagapatam, Nellore, Salem, Tanjore Districts?

(b) Do they propose to allot and, if so, in what proportion, the special grant for fighting malaria in Madras and other provinces?

Sir Girja Shankar Bajpai: (a) Yes.

(b) By a special grant, I presume, the Honourable Member has in view the grant of Rs. 10 lakhs to the Indian Research Fund Association mentioned in the budget speech of the Honourable the Finance Member. The mode of applying the grant is under consideration.

Prof. N. G. Ranga: Has any survey been made in the Madras Presidency into the incidence of malaria and the spread of malaria?

Sir Girja Shankar Bajpai: I do not know that any survey into the incidence of malaria in the Madras Presidency has been made by the Government of India: but whether the Local Government have done so or not, I am not in a position to say.

Prof. N. G. Ranga: Will the advisability of making a survey be considered?

Sir Girja Shankar Bajpai: I will put that suggestion to the Committee which the Indian Research Fund Association intends setting up to go into the question of the utilisation of this special grant.

UNEMPLOYMENT PROBLEM.

1435. ***Prof. N. G. Ranga:** (a) Are Government aware of the fact:

(i) that the United Provinces Unemployment Committee (President being Dr. Sapru) has stated that the Government of India should and could alone take the initiative in taking action on an All-India basis, to supplement the action taken or to be taken by Provincial Governments in fighting the unemployment problem;

(ii) that the Committee has, after surveying the steps taken by Local Governments, concluded that the problem of unemployment has become more serious since the Resolutions on this question were discussed in the Assembly and the Council of State; and

(iii) that they recommended to the Government of India to take the initiative in solving this problem to the extent possible and necessary from their side and thus give a lead to the Local Governments?

(b) If so, are Government prepared to consider the advisability of appointing a Committee with a majority of elected Members of the Assembly, as was suggested by the Assembly in its Resolution, to consider and recommend the steps to be taken by the Government of India to solve this unemployment problem? If not, why not?

(c) What other steps do Government propose to take to solve this problem?

The Honourable Sir Frank Noyce: (a) Yes.

(b) and (c). Government have not yet reached conclusions on the report.

Qazi Muhammad Ahmad Kazmi: When are they likely to come to a conclusion in this matter?

The Honourable Sir Frank Noyce: I may mention for the information of the Honourable Member that there is a debate on the subject of this report in the Council of State tomorrow in which Government's attitude towards it will be fully explained. I would suggest that he awaits the result of that debate.

Mr. N. V. Gadgil: May I know whether Government accept the position and responsibility that the unemployment problem is their concern and they must do something?

The Honourable Sir Frank Noyce: I would refer the Honourable Member to the reply I have just given.

ESTABLISHMENT OF VILLAGE POST OFFICES.

1436. ***Prof. N. G. Ranga:** Will Government state:

(a) how many of the promised 400 new village post offices were established since the 1st April, 1935, and in which provinces; and

(b) how many new post offices, and in which provinces, are proposed to be opened during the next year, with the special grant of rupees five lakhs allotted for this purpose during the next year?

The Honourable Sir Frank Noyce: (a) No promise was given that 400 new village post offices would be opened. I would, however, invite the attention of the Honourable Member to the reply given to a supplementary question put by him on the 26th March, 1935, in connection with his starred question No. 1023 when, I stated, that with the provision of Rs. 50,000 made for the extension of postal facilities about 200 post offices would be opened in rural areas. Actually 213 new post offices were opened during the period from the 1st April, 1935, to the 31st January, 1936. A statement showing the number of post offices opened in each Circle is laid on the table of the House.

(b) A sum of Rs. 2 lakhs only has been set aside for this purpose in the budget for 1936-37. New post offices are opened as and where justified and no definite number of new post offices to be opened is fixed for each year in advance.

Statement showing the number of new post offices opened in rural areas during the period from the 1st April, 1935 to the 31st January, 1936.

Bihar and Orissa	14
Central Circle	38
Bombay	22
Burma	9
Bengal and Assam	18
Punjab and North-West Frontier	39
United Provinces	16
Sind and Baluchistan	13
Madras	44
Total	213

Mr. M. Ananthasayanam Ayyangar: How many post offices were closed during that year?

The Honourable Sir Frank Noyce: I should require notice of that question.

Mr. M. Ananthasayanam Ayyangar: Do they counterbalance the addition?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member says he requires notice of the question: unless he gets notice, how can you get an answer?

Mr. M. Ananthasayanam Ayyangar: May I explain, Sir, that it might be that he might not be able to give detailed figures but he can say approximately whether there is really a surplus of the one over the other, or whether they cancel each other.

The Honourable Sir Frank Noyce: That is covered by my previous answer.

Mr. N. M. Joshi: May I ask how many new post offices Government expect to open out of the grant of two lakhs of rupees?

The Honourable Sir Frank Noyce: My Honourable friend can work that out for himself. 213 offices were opened with a grant of half a lakh. I think it might reasonably be concluded that somewhere about 800 could be opened with a grant of Rs. two lakhs.

Prof. N. G. Ranga: Were any rural post offices abolished during the last year? I do not want the number: I want to know if any were abolished at all.

The Honourable Sir Frank Noyce: I understand that a few were abolished.

Prof. N. G. Ranga: In view of the fact that it was published in the newspapers that the Honourable the Finance Member proposed to make a grant of Rs. five lakhs for this particular purpose how is it we are told now that there is to be only two lakhs?

Mr. G. V. Bewoor: The Honourable the Finance Member did not mention five lakhs at all: he mentioned Rs. 1½ lakhs more grant as compared with the previous year, or a total grant of two lakhs. If the Honourable Member will refer to the speech he will find it so.

Prof. N. G. Ranga: Is that to be a recurring grant or a non-recurring grant—this 1½ lakhs?

The Honourable Sir James Grigg: I am not responsible for what appears in newspapers: I have never used the figure of five lakhs in this matter.

Prof. N. G. Ranga: All right, Sir: is this 1½ lakhs going to be a recurring grant or a non-recurring grant?

The Honourable Sir Frank Noyce: That depends on the finances of the Posts and Telegraphs Department: we hope that they will be in such a condition that it may be possible to make a grant of this character in future years, but obviously neither my Honourable colleague, the Finance Member, nor I can give any undertaking on that point.

NON-RECOGNITION OF THE ANDHRA RAILWAY PASSENGERS ASSOCIATION.

1437. ***Prof. N. G. Ranga:** Will Government be pleased to state:

(a) whether they are aware of the fact that the Andhra Railway Passengers Association, which has been functioning for the last six years and more, has not yet been recognised by the Madras and Southern Mahratta Railway;

(b) whether they are aware that the Agent of the Madras and Southern Mahratta Railway refused to answer the communications of the said Association;

(c) whether they are aware that the complaints made and suggestions offered by the Association were referred back to it with the order that the Association should communicate them only to the Local Railway Advisory Committee;

(d) whether they are aware that there is no recognised office for that Committee;

(e) whether they are aware that the President of that Committee is the Agent of the Company himself; and

(f) if so, whether they are prepared to consider the advisability of advising the Agent to take advantage of the co-operation, criticism and assistance offered by the Railway Passengers Association?

The Honourable Sir Muhammad Zafrullah Khan: (a), (b) and (c). Government have no information.

(d) The office of the Agent functions as the office of the Advisory Committee.

(e) Yes.

(f) I will convey the Honourable Member's suggestion to the Agent of the Madras and Southern Mahratta Railway for consideration.

Prof. N. G. Ranga: Is it not a fact that with regard to parts (a) (b) and (c) of this question, questions were put here in this House by myself and information was supplied to Government, and Government then admitted that it was a fact that the Agent had refused to reply to the communications sent to him by the Railway Passengers Association, and the Government then saw no reason why they should interfere in it, and, in spite of it, I requested the Government of India to reconsider this question?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member is now being informed that the suggestion shall be brought to the notice of the Agent.

Mr. Sami Vencatachelam Chetty: May I know if the representation of the Andhra Chamber of Commerce to include them in the Local Advisory Councils of the Madras and Southern Mahratta and South Indian Railways is being considered by this Government?

The Honourable Sir Muhammad Zafrullah Khan: As regards that, I am sure, the Honourable Member is aware that the whole question of the modification of the constitutions of these advisory committees will be taken up in the Central Advisory Council of which he is a member.

Prof. N. G. Ranga: Will Government consider the advisability of recognising this Passengers' Association in Southern India for the S. I. and M. S. M. Railways?

The Honourable Sir Muhammad Zafrullah Khan: My reply is the same as the reply which I have given to the previous supplementary questions by another Honourable Member.

NON-REPRESENTATION OF PEASANTS AND THIRD CLASS PASSENGERS ON THE ADVISORY COMMITTEES FOR THE MADRAS AND SOUTHERN MAHRATTA AND SOUTH INDIAN RAILWAYS.

1438. ***Prof. N. G. Ranga:** (a) Are Government aware of the fact that neither the peasants, nor the third class passengers who are organised in the Tamil Nad Passengers Association and Andhra Provincial Passengers Associations are represented on the Local Railway Advisory Committees for the Madras and Southern Mahratta Railway and South Indian Railway Companies?

(b) Are Government prepared to consider the advisability of so altering the rules laid down for the constitution of these Advisory Committees as to make provision for the members representing the Passengers Associations and peasants organisations, which do exist in the Madras Presidency?

The Honourable Sir Muhammad Zafrullah Khan: (a) No organisation of peasants has a representative on the Advisory Committees of the two Railways referred to but Government understand that the Agents have nominated a representative on each of their Committees from a Passenger Association.

(b) I would refer the Honourable Member to the reply given to his supplementary questions by Mr. P. R. Rau in connection with Mr. C. N. Muthuranga Mudaliar's question No. 786 on the 9th March, 1935.

Prof. N. G. Ranga: Is it not a fact, Sir, that one Sundara Varadulu was nominated a member of the Local Advisory Committee for the M. S. M. Railway in his capacity as Secretary and member of the Andhra Peasants' Association?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid I have no information.

Prof. N. G. Ranga: Will Government consider the advisability of seeing that the representatives of these Peasants' Associations as well the Railway Passengers' Association are not nominated by the Madras Government, but are elected by their respective associations?

The Honourable Sir Muhammad Zafrullah Khan: This question is covered by the replies given by me to the supplementary questions to the previous question.

FAILURE OF CROPS AND DISTRESS OF PEASANTS IN THE SOUTHERN PART OF THE GANJAM DISTRICT.

1439. ***Prof. N. G. Ranga:** (a) Are Government aware of the fact:

(i) that a serious state of drought and the consequent failure of crops and the distress of the peasants prevails in the southern part of Ganjam District of Madras Presidency;

(ii) that there is widespread unemployment and scarcity of fodder for cattle; and

(iii) that the Local Government have been obliged to take some special steps to help the peasants?

(b) If so, are Government prepared to consider the advisability of extending the salt concessions to the peasants of that District and lowering the freight charges upon the transport of paddy and other cereals and fodder to that District?

Sir Girja Shankar Bajpai: An enquiry has been made from the Government of Madras and the result will be communicated to the House in due course.

PREVALENCE OF DROUGHT AND DISTRESS OF PEASANTS IN BERAR.

1440. ***Prof. N. G. Ranga:** (a) Are Government aware:

(i) of the prevalence of drought for the past five years in Berar; and

(ii) that the Local Government and His Excellency the Viceroy have admitted the existence of a widespread agrarian distress as a result of that drought?

(b) If so, in which parts has famine actually broken out?

(c) Will Government be pleased to state what steps are being taken by Local Government and themselves to relieve the distress of the peasants?

With one alteration, Sir, I ask this, it is mentioned here "His Excellency the Viceroy", it is not the "Viceroy", but it should be the "Governor".

Sir Girja Shankar Bajpai: In either case, the answer is that an inquiry has been made from the Central Provinces Government, and the result will be communicated to the House in due course.

Prof. N. G. Ranga: Will Government consider the advisability of extending the salt concessions in those areas in view of the fact that there is general agrarian distress there?

Sir Girja Shankar Bajpai: That is a suggestion for the consideration of my Honourable friend, the Member in charge of the Central Board of Revenue.

Mr. A. H. Lloyd: I am not aware, Sir, that salt concessions have been withdrawn there.

Prof. N. G. Ranga: If salt concessions have not been withdrawn, will Government consider the advisability of extending those concessions to those areas where there is general agrarian distress?

Mr. A. H. Lloyd: That seems to me to be a hypothetical question.

Prof. N. G. Ranga: In view of the fact that there is agrarian distress, will Government consider the advisability of extending the salt concessions to those areas? It is not a hypothetical question.

Mr. A. H. Lloyd: I have said that I have no reason to believe that salt concessions have been withdrawn from those areas.

Prof. N. G. Ranga: It was not extended to those areas, and so how can they be withdrawn?

Mr. A. H. Lloyd: There is no question of withdrawing . . .

Mr. President (The Honourable Sir Abdur Rahim): If it has not been withdrawn, the question of extending the salt concession to those areas does not arise.

Prof. N. G. Ranga: May I ask for information, Sir? Is it or is it not a fact that salt can be manufactured in all those parts of India wherefrom this privilege of manufacturing salt has been definitely banned?

Mr. President (The Honourable Sir Abdur Rahim): That does not arise out of this question.

RETRENCHMENT ON RAILWAYS.

1441. ***Mr. Muhammad Azhar Ali:** Has the attention of the Honourable Member of the Government for Railways been drawn to the Press statement published in the *Hindustan Times*, Delhi, on the 12th March, 1936, under the caption "Retrenchment on Railways"? If so, will he please state:

(a) the arrangements made by the Railway Board for discussion of the subject-matter (retrenchment) with those Unions of Railway employees which are not affiliated with the All-India Railwaymen's Federation; and

(b) the proposals of retrenchment as contemplated;

and lay on the table the copy of the communication addressed to the General Secretary, All-India Railwaymen's Federation, as received by him on the 9th March, 1936?

The Honourable Sir Muhammad Zafrullah Khan: (a) The Railway Board are discussing with the All-India Railwaymen's Federation the principles to be followed for selection of staff for discharge in connection with future retrenchments in accordance with the undertaknig contained

in paragraph 21 of the Government of India communiqué, dated the 6th June, 1932, a copy of which is in the Library of the House. Government are not prepared to enter into any discussion with individual unions whether they are affiliated to the All-India Railwaymen's Federation or not.

(b) Retrenchment proposals will be submitted by Agents of State-managed Railways after the principles have been settled.

I lay on the table of the House a copy of the letter referred to.

Copy of letter No. E. 36 R. E. 1 (L.), dated the 9th March, 1936, from the Secretary, Railway Board to the General Secretary, All-India Railwaymen's Federation.

I much regret to inform you that it will be necessary in the near future to effect a further retrenchment of railway staff. Doubtless the Federation would like to discuss the subject with the Board and, if so, I am to suggest that a special meeting be arranged to permit of this. I am to ask if it would be convenient for the Federation to meet the Board in the Chief Commissioner's room at 11 hours on Saturday, March 28th.

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, with regard to the House sitting on the 4th of April, I have inquired in the matter, and I am given to understand that Members of the House are not to sit on the 4th of April, and also on the 31st of March. We have agreed to observe the 31st of March, as a holiday on account of ***Ram Navami***. I presume, therefore, that the House will not sit either on the 31st March, or on the 4th of April.

Pandit Lakshmi Kanta Maitra (Presidency Division: Non-Muhammadan Rural): We could not hear what the Honourable Member said just now.

The Honourable Sir Nripendra Sircar: You will be delighted to hear that you have not got to come here either on the 31st of March, or on the 4th of April. (Laughter.)

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Does the Honourable Member know that we cannot meet on the 3rd of April, as we have to observe Muharram on that day. We cannot meet on the 10th of Muharram. I think he will perhaps look into this matter now only.

The Honourable Sir Muhammad Zafrullah Khan: If the House is not sitting on the 31st March, 1st of April, 2nd of April, 3rd of April, 4th of April, and 5th of April, surely the 10th of Muharram is included.

MOTION FOR ADJOURNMENT.

SIR OTTO NEIMEYER'S REPORT ON FEDERAL AND PROVINCIAL FINANCE.

Mr. President (The Honourable Sir Abdur Rahim): There are two motions for adjournment of the House, one by Dr. Banerjea relating to

Mr. Subhash Chandra Bose, that is barred, and another by Mr. S. **Satyamurti** relating to the same subject, that is also barred by yesterday's **decision.**

Another notice has been received from Mr. Satyamurti to this effect, **that** he intends to ask for leave of the Honourable the President and of **the** House today for moving a motion that the House do stand adjourned **to** consider a matter of urgent public importance, namely, the failure of **the** Government to provide a suitable opportunity for the House to pro-nounce its opinion on the proposals to be made by Sir Otto Neimeyer **with** regard to the Federal and Provincial Finance under the Government **of** India Act, 1935, before final orders thereon are passed by His Majesty's Government and the British Parliament. Is there any objection?

The Honourable Sir Nripendra Sircar (Leader of the House): My friend **has** not moved it, Sir.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, I **ask** for leave of you and of the House for moving this motion.

The Honourable Sir Nripendra Sircar: Sir, I have objection, Sir, to this. The questions and answers in the House will show that my Honourable **friend's** grievance is that no Special Session is going to be called to enable **this** House to discuss this question . . .

Mr. S. Satyamurti: On a point of personal explanation, Sir. I have **not** asked for a Special Session. I want an opportunity, either now or in Simla, before final orders are passed on this subject. I am not anxious **for** a Special Session at all. My grievance is that this House has no opportunity, after the proposals are published and before final orders are passed by the British Parliament, to discuss this question here. That is my only grievance.

The Honourable Sir Nripendra Sircar: That is a circumlocutory method of putting the thing. It means there must be a special Session . . .

Mr. S. Satyamurit: No.

The Honourable Sir Nripendra Sircar: Then, what is the suggestion? So far as the Report is concerned, it is not going to be submitted to us; it is going to be submitted to somebody else. The date has been fixed by somebody else. The dates of Orders in Council are not to be fixed by us, they are not under our control. The only thing that can be done here is to summon another Session before Orders in Council are passed. There is no other way.

Mr. President (The Honourable Sir Abdur Rahim): The Chair supposes there is no knowing when the Orders in Council will be passed.

The Honourable Sir Nripendra Sircar: No, Sir: as a matter of fact, if the Report is made while the House is sitting, there will be no obstruction at all.

Mr. President (The Honourable Sir Abdur Rahim): Does the Chair understand the Honourable Member to say that the Government of India cannot allow this to be discussed before or after the Report is submitted to the Secretary of State?

The Honourable Sir James Grigg (Finance Member): Sir, it is a Report to the Secretary of State, and we know from press reports that it is hoped that it will be in the Secretary of State's hands by the end of April. After that, the Secretary of State has got to decide when he will publish it. After that, he has got to decide when it will be laid before the House of Commons in the form of Orders in Council. All we can infer here is that it will have to be laid before the British Parliament in the form of Orders in Council before the House rises which will be about the end of July, which means that the Report, in all probability, so far as we have any knowledge,—we have no more knowledge than the Honourable Member himself,—will be published certainly not earlier than the end of the present Session of this Assembly, and that the final decisions will be taken by the British Parliament before we meet in Simla, and that is the reason why my Honourable colleague, the Leader of the House, says that the only possible way of meeting the wishes of the Honourable Member, so far as we can see, is to call a Special Session of the Assembly. That is the basis on which my Honourable colleague is arguing.

The Honourable Sir Nripendra Sircar: If I may continue, Sir,—if my Honourable friend, Mr. Satyamurti, will suggest what else can be done by us in the situation which has been explained by my Honourable colleague, I can then give an answer to him, but so far as we can see, nothing else can be done except calling a Special Session, and, if that is so, I submit that is a matter for the Governor General in his discretion, and that cannot be the subject-matter of an adjournment motion. His failure to call, or deciding now that he will not call, a Special Session of the House cannot be a matter for an adjournment motion. May I refer to page 18 of the Decisions from the Chair, Volume I . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot disallow a motion on that ground; it is only the Governor General who can do so.

The Honourable Sir Nripendra Sircar: That is where a matter is not primarily the concern of the Governor General in Council. I am not relying on that. It is always open to the Governor General to do that; if he thinks fit, he can do it now. I am not discussing that at all, but I draw your attention to page 18 of the Decisions from the Chair, Volume I, Item No. 20, second paragraph:

"*Diwan Bahadur M. Ramachandra Rao* sought to move the adjournment of the House to discuss the action of the Government of India in according sanction to the Burma Government's proposals to impose a tax on sea passengers.

The President wanted to know where the Governor General in Council came into the matter, as distinct from the Governor General whose previous assent was required to the Bill; . . . .

Diwan Bahadur M. Ramachandra Rao maintaining his position, the President ruled: 'The Honourable Member is not entitled to raise it in order to discuss the action of the Governor General. Any action taken by the Governor General apart from the Government of which he is the head—these are the words that appear in the rule—is outside the scope of debate in this House'."

I wish to draw your attention to these words, "Any action taken by the Governor General apart from the Government of which he is the head—*these are the words that appear in the rule*—is outside the scope of debate in this House". Therefore, what applies to his action equally applies to his failure to call a Special Session. The second point which I take is this. If this is not so, that is to say, if my Honourable friend has something else in mind than a Special Session, what is the urgency of this motion? Why should it be discussed today by interrupting the proceedings of this House, and not tomorrow, or next month, or next year?

Mr. S. Satyamurti: With regard to this ruling which my Honourable friend read from, I submit that it has nothing to do with the matter under discussion. I am not suggesting and indeed it is not my purpose to suggest, that the Governor General should or should not summon a Session of the House. I am not his adviser, and I am not concerned with that. My real point is this, that this House should be given an opportunity of pronouncing its opinion on a matter of fundamental financial importance to the country, that is to say, the allocation of Federal and Provincial Sources of Revenue.

Mr. President (The Honourable Sir Abdur Rahim): The Leader of the House and the Finance Member have given facts relating to this, which show that it does not lie with the Governor General in Council.

Mr. S. Satyamurti: It is not as if it is going to be reported, without so much as a reference to the Government of India. As a matter of fact, the gentleman who is now reporting . . . . .

Mr. President (The Honourable Sir Abdur Rahim): Surely, his report will be presented to the Secretary of State.

Mr. S. Satyamurti: This gentleman's enquiry was paid for by the Indian taxpayer, a supplementary demand was made last September, this House granted the money, he toured the whole of this country, and he is making his report after consulting the Local Governments and the Central Government, and we, in this House, as representing the people of India, are interested in the question of how these resources are going to be allocated.

Mr. President (The Honourable Sir Abdur Rahim): The Chair sees the great importance of the question; there is no doubt about it. But the report is to be made to the Secretary of State, and not to the Governor General in Council.

Mr. S. Satyamurti: At that rate, the Hammond Committee, the Simon Commission, the Joint Parliamentary Committee—all these reports were made to the Secretary of State, and yet this House has consistently discussed all of them.

Mr. President (The Honourable Sir Abdur Rahim): That was after the report was made. The real object of the Honourable Member is that the merits of the report should be discussed, and this House should have an opportunity to express its opinion. A mere motion like this is of no use. The Government of India are helpless in the matter.

Mr. S. Satyamurti: They are not so helpless. What is the helplessness? Where there is a will, there is a way, as the Leader of the Independent Party said the other day. What is the difficulty, Sir?

Mr. President (The Honourable Sir Abdur Rahim): How can they give time to discuss a document which they cannot themselves discuss?

Mr. S. Satyamurti: I am not suggesting that for one moment—I cannot discuss a matter when I do not know anything about it, but they can certainly represent to His Majesty's Government that final orders ought not to be passed, till this House has had an opportunity of pronouncing upon it. It is undoubtedly open to the Government to make such a representation, and that is the object of my motion.

Mr. President (The Honourable Sir Abdur Rahim): That request the Honourable Member can very well make to Government.

Mr. S. Satyamurti: How?

Mr. President (The Honourable Sir Abdur Rahim): By means of questions.

Mr. S. Satyamuri: They are rarely answered. (Laughter.)

Mr. President (The Honourable Sir Abdur Rahim): This is not a matter for the Governor General in Council.

Mr. S. Satyamurti: My object is this, that the House must have an opportunity of expressing its opinion before the British Parliament passes final orders, and the Governor General in Council comes in in this way. They can communicate that to the British Parliament with their recommendation that they support the demand of this House that they should stay their hands till we have pronounced on this matter.

Mr. President (The Honourable Sir Abdur Rahim): The report will not be made till the end of April, and the chances are that the Secretary of State's Orders in Council will be passed by July.

Mr. S. Satyamurti: Why should it be? They simply said, they had some vague information. Even the Honourable the Finance Member said that he understands, and it is now open to them to represent to His Majesty's Government the feeling in this House that they should stay their hand till they have received our opinions. That, certainly, is in the hands of the Government.

The Honourable Sir Nripendra Sircar: If my Honourable friend's sole desire is that we should communicate to the Secretary of State that there is a strong feeling in this House that the Orders in Council should be made at such a time that there can be a discussion in this House, we have not the slightest objection to doing so. But, for that there need not be a discussion for two hours on an adjournment motion.

Mr. President (The Honourable Sir Abdur Rahim): The Chair thinks that ought to satisfy the Honourable Member.

Mr. S. Satyamurti: If the Government will agree to convey the opinion of this House that His Majesty's Government should take such steps as are in their power to withhold the passing of Orders finally till the House has had an opportunity, I am quite content.

The Honourable Sir Nripendra Sircar: That is what I said.

Mr. S. Satyamurti: I am quite content.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member does not want to move?

Mr. S. Satyamurti: No. I have got what I wanted.

Mr. President (The Honourable Sir Abdur Rahim): There is another notice from Dr. Khare.

Some Honourable Members: He is absent.

Mr. President (The Honourable Sir Abdur Rahim): As regards this notice, although the Honourable Member is not here, and, therefore, it fails, still the Chair wants to say something with reference to it. In the notice, he proposes to ask for leave to move an adjournment of the business of the House on the ground that the Honourable the Commerce Member gave certain replies to certain questions asked by an Honourable Member, referring him to the replies given by him on the 26th February. The Chair really does think that it is an absolute waste of time to ask for an adjournment of the business of the House to discuss an answer like that. It was a perfectly legitimate answer which was given—referring him to replies recently given. The Chair disallows the motion.

THE INDIAN FINANCE BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the Indian Finance Bill.

Mr. F. E. James (Madras: European): Sir, I beg to move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head '*Book, Pattern and Sample Packets*' the following be substituted :

'For a weight not exceeding two and a half tolas . .	Six pies.
For a weight exceeding two and a half tolas, but not exceeding five tolas	Nine pies.
For every additional five tolas, or fraction thereof in excess of five tolas	Six pies'."

[Mr. F. E. James.]

This is an extremely modest and moderate proposal. The book packet rate was originally raised from half an anna to nine pies on the ground that that method of sending matter through the post was being abused by sending postcards in envelopes at the half anna rate. Now, Sir, we have always pointed out that this increase in the book packet rate has inflicted a considerable hardship upon the retail traders in this country, both the large retailers and the small retailers. I think my Honourable friend, Mr. Bewoor, has already received a number of representations in regard to this matter. He received, when he was in Madras, a deputation from the Publishers and Booksellers Association of Southern India and they pointed out that they were representing in this matter, not the capitalists in any sense of the term, but the small retailer and the small establishment. He has to advertise. He cannot help it. It is true that the result of the raising of this rate has been increase in revenue. But the Honourable Member cannot argue from that that there is no hardship to trade. As a matter of fact, the trade is obliged to advertise, and I may point out that my Honourable friend, the Director General of Posts and Telegraphs, himself, is endeavouring to encourage that kind of advertisement. I have here one of his own advertisements in which he is trying to encourage the small trader to use the post office as a means of advertisement. He says 'Trade follows the mail'; and then he puts an increase of 50 per cent. on the rate! It seems a little hard on the trader. I would point out that this amendment strikes a middle course. It does not ask the Government to revert to the original rates. It reduces the weight level from five tolas to 2½ tolas and puts the rate at six pies on the first 2½ tolas. Thereafter, up to five tolas from 2½, nine pies, and after the limit of five tolas back again to six pies. I am quite aware that I shall be told that this will cost money, and that, in the present state of the post office finances, they cannot even contemplate any loss under this head. Well, Mr. President, my answer to that argument is twofold. In the first place, the rate was not increased for revenue purposes originally, and, in the second place, although there may be some loss I am very doubtful as to the possibility of the department estimating to any great extent what that loss would be. Last year, they estimated a loss of, I think, 6½ lakhs. We expressed our doubts at that time as to whether that was an accurate figure and the Honourable Member, the Director General of Posts and Telegraphs, had to admit that it was only possible to arrive at that figure by some rough and ready method. Therefore, we do suggest that in this matter Government might well afford to give some relief to a class of persons in this country who are really deserving of this consideration. After all the authorities have their own means of dealing with the matter of evasion of the increased post card rate. They have their methods of detection by post office officials and they have punishment laid down by the infliction of double rates. Therefore, I do suggest that they should revert to the old rate as far as 2½ tolas is concerned. It will be a very great relief to those who are obliged, under any circumstances, to advertise, and who, in fact, live in their small way of trading by means of the circular advertisement. My Honourable friend, the Finance Member, said the other day that he wished the European Group would have a little "comprehension and charity". May I suggest to the Honourable Member for Industries and Labour that our comprehension will be greater if his charity can be extended in this matter. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"**That** in Schedule I to the Bill, in the proposed First Schedule to the Indian Post **Office Act, 1898,** for the entries under the head '*Book, Pattern and Sample Packets*' **the** following be substituted :

' For a weight not exceeding two and a half tolas . .	Six pies.
For a weight exceeding two and a half tolas, but not exceeding five tolas	Nine pies.
For every additional five tolas, or fraction thereof in excess of five tolas	Six pies '."

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, though it was our misfortune that the European Group was **not able** to support our amendment about postcards, I am here to tell the House that in the true Christian-*cum*-Congress spirit of "Do good unto those who do ye evil", we are going to support their amendment. When the House has carried the amendment about postcards, it is natural **that** this amendment should also be accepted. So far as I remember, **the** packet rate continued to be half an anna for a whole year after the **rate** for postcards had been raised to three pice. An Honourable Member **of** Government said in this House that this has led to a certain amount **of fraud,** and so the packet rate was also enhanced. I believe the fraud **was** due to the fact that printed postcards, when put in envelopes, were **carried** for half an anna, whereas they required three pice when sent as **mere** postcards; and, thereupon the rate on book packets was also raised **to** three pice. Now that the rate for postcards has been reduced to half **an anna** . . . .

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): **Has** been?

Mr. Sri Prakasa: At least so far as the House is concerned, it is right, **I think,** to say that the rate on postcards *has been* reduced; and so the **rate** for book packets should also be reduced. Our own Congress amend**ment** on the subject was that the minimum weight for a book packet **to** be carried for half-an-anna should be five tolas. The European Group, **however,** rightly desires to try and meet the Government half way; and **I** may only hope that Government will also meet it half way; so that at **least** for light packets, like printed circulars, press manuscripts, notices, **bills,** and receipts, we should have the lower rate and be enabled to send **little** packets up to two and a half tolas at six pies. Above that, the **European** Group recommends that we should have nine pies up to five **tolas.** As matters stand, I have no objection to accepting this and my **Party** is going to support the European Group.

So far as the question of expenses is concerned, I really think the **Department** should consider one aspect of the matter. I fear that though **this** Department is a very important Department of the Government, **it** is really regarded as the Cinderella of the show; and very often it is **imposed** upon by other Departments. There is a lot of waste, I think, **in** this Department on huge buildings at certain big places. Thus, I find **it difficult** to believe that a huge building like the Eastern Court was **necessary** for a Telegraph Office in a small place like New Delhi; and if **the** Department is not very careful, I am sure, within ten years, this

[Mr. Sri Prakasa.]

very building in which we sit will be forced upon it and another big Chamber constructed for the Legislative Hall.

An Honourable Member: Why?

Mr. Sri Prakasa: Because they will say that there are more legislators and more seats are necessary; and the only Department they will find on which to force this Hall would be the Postal Department. I, therefore, think that a great deal of saving can be effected if this Postal Department is really worked as a commercial department and does not allow itself, as at present, to subserve imperialist purposes. Sir, I have seen many postal buildings that are too big for the purposes which they are supposed to fulfil. Let me take the huge Post and Telegraph Office at Lucknow which is an absolutely useless building, but as Lucknow is *de facto* the Capital of the United Provinces, they evidently thought that they must have an imposing post office. Knowing Benares better than he can ever expect to do, I may also tell my friend, Mr. Bewoor, that it is absolutely useless to embark upon the huge expenditure on which he is thinking of embarking, for the construction of a large building in the City of Benares as a new telegraph office. Much money can thus be saved; and money so saved can be utilised for giving concessions to people who use the postal services.

My friend, Mr. Ramsay Scott, yesterday, complained that there are many post offices that are very dirty; and that it is not possible to be efficient when working in such places. Well, I am no supporter of dirt anywhere. Still, regard being had to the houses of the majority of our people, I do not think that there is any post office in India that is worse than these. In London, Sir, there are heaps of post offices in chemists' shops and grocers' shops; and they work quite efficiently. There, they have to get sixteen annas worth of return for every rupee that they spend. There they have no imperialist purposes to subserve; but, in India, the idea is that all buildings that have anything to do with Government must be so constructed that they may impress the people with the might of the British Government. That is the reason why in villages practically the only *pucca* buildings we come across are police stations and schools. Sir, this policy should be given up; and, if the Government as a whole refuse to give it up, at least this Department must put its foot down and say that, when they are expected to meet their own expenses, they should not be forced to take upon themselves the responsibility for the construction of buildings far beyond their means and needs. Sir, if systematic economy is practised in this matter, then there will be sufficient saving in this Department to enable it to afford some much-needed relief to the public. Without taking any more time of the House, I, on behalf of my Party, support the amendment moved by my Honourable friend, Mr. James, and I also hope that, after this gesture of our goodwill, he will be able to support some of our amendments later on. (Laughter.)

Several Honourable Members: The question may now be put.

Mr. G. V. Bewoor (Director General, Posts and Telegraphs): Sir, my Honourable friend, Mr. James, who has moved this amendment, has himself admirably summarised the objections against it. The book-packet traffic rate was revised in the year 1934. Prior to that the rate of half an anna for the first unit of weight had been unchanged since 1878. Between 1878 and 1921 the rate was half an anna for ten tolas, and, in 1921, the rate was retained at the same figure but the first unit of weight was reduced to five tolas. In April, 1934, the rate was raised by one pice for the first unit of weight only. Considering that all other traffic rates had been raised, *i.e.*, those on letters and postcards, and those for registration, etc., it appears to us that this increase was not unjustified. There is the further point that when this rate was raised, we anticipated a reduction in the traffic by at least 20 per cent. Our actual experience showed that the fall had been very much less, that is to say, the traffic had borne the rate. The figures for 1934-35 for inland book packets were 98 millions and during the current year 1935-36 we anticipate about the same traffic, *viz.*, 97 millions. It is true that the rate was not put up for the purpose of getting more revenue, but the fact remains that the traffic has borne the rate, and in the present state of the finances of the Department, especially, after the huge cut that has been imposed upon the Department of about 50 lakhs, it will be unwise to add to that big deficit another loss of about eight lakhs. For the next year we have estimated a traffic in the book packet class of 112 millions, that is to say, we anticipate a 14 per cent. increase, and, for the reasons which I mentioned yesterday, I do not think that the reduction of the rate, which this amendment seeks to secure, can give us any further increase. If it does, it will be of very small proportions. The reduction in the revenues of the Department is, as I have said, anticipated to be of the extent of eight lakhs if there is no increase in the traffic that we have estimated for the next year. But if the traffic increases by five per cent. we will get roughly 1¾ lakhs of rupees more, that is to say, if we have to recover the whole of the eight lakhs loss, the traffic must increase by at least 15 to 20 per cent. As our estimates already provide for an increase of 14 per cent. this means that the traffic would have to increase by 30 per cent. or even more, if we have to get the same revenue on the new rate as on the present rate. I do not think it is necessary to deal with this matter any further. We fully recognise that a low rate for book packets is of great advantage to the trading community. We do not deny that, but it is merely a question of whether we can afford to do it at the present moment.

12 NOON.

I do not wish to go into the whole matter of economy again, but as my Honourable friend, Mr. Sri Prakasa, has raised the question of buildings, I would just mention to him that before embarking upon any building programme, we examine it especially from the financial point of view. I quite admit his criticism regarding the Lucknow building, but it is no use going into ancient history. That was started some years ago, but at the present moment, Honourable Members who are in the Standing Finance Committee would be aware that we put up all major building projects before them and place before them all the necessary facts showing why the new buildings are necessary.

Mr. Sri Prakasa: What about the Eastern Court in New Delhi?

Mr. G. V. Bewoor: It was constructed long ago. It does not merely accommodate the Telegraph Office. There the Honourable Member is mistaken. It accommodates the Telegraph Office, the Post Office and the Office of the Divisional Engineer and quarters for certain members of the staff whose residence on the premises is in the interests of service and

[Mr. G. V. Bewoor.]

efficiency. It was not put up for the purpose of the Telegraph Office. It was a building which we found convenient to occupy instead of constructing another building. As regards the Benares building, this proposal was put up before the Standing Finance Committee and approved by them. In Benares, we have a Post Office building which has proved to be absolutely inadequate for the present needs. We had, therefore, to rent another building, across the road, and that building is on the first floor and is inconvenient to the public as well as to the staff. We, therefore, utilised an existing site and are now going to construct a building which will accommodate the Post Office and the local combined office. I think it would be worthy of the City from which my Honourable friend comes. It is not a question of extravagance in these matters. Certain other Honourable Members criticised us for having bad buildings, ill ventilated. . . . . .

Mr. Sri Prakasa: No modern building can be worthy of my city. They are all of bricks, while my old city is of stone.

Mr. G. V. Bewoor: But bricks can be as lasting as stone.

Mr. Sri Prakasa: But not so beautiful!

Mr. G. V. Bewoor: However, I may assure the House that whether in the matter of building or in the matter of any extra expenditure we have to incur, or we are now incurring, the question of economy is always considered. Our present expenditure in the budget has been framed on lines which I consider are still economic. Nothing can be more satisfactory to me, as the head of the Department, than to have more post offices, longer hours of work, more deliveries on holidays and cheaper rates. But in this matter, we must always see what it is going to cost. We must cut our coat according to our cloth. People who ask us to open more post offices should not forget that it means expenditure. We are fully aware, we are fully conscious of the fact that in recent years the number of post offices in rural areas has been badly restricted. The number of postmen has gone down. It is our desire that our rural population should receive full facilities both in the way of post offices and in the way of postmen. How would it benefit a villager if he is given a half anna postcard and at the same time if his nearest post office is 10 to 15 miles away or if he gets delivery once a fortnight or once a month. The cut which this House seeks to impose on the revenues of the Department is, I am sorry to say, going to restrict this beneficial expansion activities on which I am sure Honourable Members on the other side of the House are as keen as we are. It was, therefore, for that reason, that I appealed to the House not to force any further cut on the revenues of this Department, but to wait until we have built up our finances on a sound basis and until we are satisfied that these revenues have come to stay.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Will you accept the cut that has been made with regard to postcards?

Mr. G. V. Bewoor: That is not a matter with which we are dealing now.

Mr. M. A. Jinnah: The Honourable Member said, "Do not make further cuts". That means, will you accept the cut already made with regard to postcards. It may influence me to a very great extent as to how I should vote on this cut. If the Honourable Member will give me an assurance that the Government are prepared to accept the cut that we have made with regard to postcards, I shall consider how I have to vote on this motion.

Mr. G. V. Bewoor: I am not in a position to give any assurance whether Government will accept or not accept the cut already made.

Mr. M. A. Jinnah: What am I to do then?

Mr. G. V. Bewoor: I am giving the effect of the cut which has been imposed by this House on the revenues of this Department.

Mr. M. A. Jinnah: The Honourable Member wanted to impress upon this House that we should not make any further cuts.

Mr. G. V. Bewoor: That is right. I said the House has already cut the revenues of the department to the extent of 50 lakhs.

Mr. M. A. Jinnah: Then why say do not impose any further cuts.

Mr. President (The Honourable Sir Abdur Rahim): It is only a matter of language.

Mr. G. V. Bewoor: I merely said that this further cut will add to that loss. It is for that reason that I desire to oppose this motion and not for any other reason.

Sir Darcy Lindsay (Bengal: European): Sir, I spoke on this subject last year, and I would like to say a few words in support of the amendment moved by my Honourable friend, Mr. James. The Honourable Member who just sat down reminds me very much of the Bengal tiger. Having tasted blood, he wants more and more and he finds that this ever increasing source of revenue, however wrong it may be, is very pleasant to his taste. His figures and his method of arriving at those figures are not very understandable. I think I saw words of his last year in which he said that the reduction in carriage of book post was only by about one per cent. In 1935, he said that the loss was only one per cent., and then in another speech, he told us how in a test, conducted in the Calcutta Post Office, in the month of August, the postcards went up from 94 lakhs to 98 lakhs during one week in August, whereas the number of book packets, at the same time, fell from 48 lakhs to 45 lakhs. Now, Sir, I am not a mathematician, but a rough calculation seems to show that it is six per cent. depreciation and not one per cent.

Mr. G. V. Bewoor: Those figures, may I explain, only related to Calcutta General Post Office. They were merely mentioned as an example. The figures which we are now comparing are for the whole India.

Sir Darcy Lindsay: I should have thought that the Calcutta figures would have given a very good test for the whole of India.

Mr. G. V. Bewoor: Not necessarily.

Sir Darcy Lindsay: When this new charge was imposed, my Honourable friend, Mr. James, explained that it was to counteract the diversion of postcard traffic by the ordinary user of the postcard to that of book post. I have never understood whether the users purchase a postcard and put it into an envelope and send it as book post. If my Honourable friend means that they write a letter and put that in the envelope and send it instead of a post card, that is understandable. But he does not say so.

Mr. G. V. Bewoor: Sir, I may say that I have not brought that argument in opposing the motion of Mr. James today.

Sir Darcy Lindsay: If the postcard is used in these envelopes, why not ordinary correspondence? Why did they fix on the postcard as the cause of this increase in the book post postage?

Mr. James has dealt fully with the question of "It pays to advertise". In the course of my visits to establishments in Calcutta, both Indian and European, I am assured that this extra postage is felt as a very great hardship on their advertising, and any relief the House can give would be most welcome. My Honourable friend has just told us that all rates were raised in order to get more revenue. What about the press rates? What about the rate of a quarter of an anna for newspaper postage? He complains that he has not got sufficient money in the department to pay his way and to expand. Why does he not again press upon the Government of India to refund to the department the 25 lakhs lost on press telegrams?

There is one little matter that I should like to refer to and it should have been brought up under the question of postcards. That is that an effort should be made to reduce the cost to the poor man of the writing of his postcards. If the department could see their way to employ writers at a reasonable rate and make the charge to the users of the postcard and letters less than a minimum of one anna, it would be a very great boon. With these words, I support the amendment.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I wish to draw attention only to one point. My Honourable friend, Mr. Bewoor, in his speech said that, when he increased the rate, he expected a fall of 20 per cent. but the fall was less than 20 per cent. This shows a peculiar mentality of the Postal Department which I want to protest against. The thing is that the Postal Department is not a purely commercial concern. It is intended for service to the public. That is a point which should not be ignored. The second point which also should not be ignored is that they have a monopoly, and there is nobody else who can run the department for postal communications. Had there been no monopoly and had the question of service to the public not been taken into consideration, then the principle that the rate should be increased to the extent which the traffic could bear would be true. Therefore, this principle of increasing the rate to the extent which the traffic can bear cannot be applied to the Postal Department for the two reasons I have just indicated, namely, that they have a monopoly and because they are primarily intended for the benefit of the public. The principle which we ought to follow is to reduce the rate to such an extent that the post office may be run without any definite loss. The principle should be to reduce the rate as far as possible and not to increase it to an extent that the traffic can bear. That is the point to which I wish to draw attention.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I have very little to add to the exposition of the Government case which has been put forward by my Honourable friend, Mr. Bewoor. Some Honourable Member, in the course of this discussion, referred to Mr. Bewoor as being like a Bengal tiger. I think that charge could more fairly be levelled against my Honourable friends opposite. Having consumed the cow of the postcard, they now proceed to devour the calf of the book packets. Our position in this matter is clear. After making the change which we thought would appeal most to this House, the raising of the weight for the anna letter from half tola to one tola, we had a surplus of two lakhs left. You cannot do very much with that; and the effect of the change which my Honourable friend, Mr. James, advocates, would cost eight lakhs, and, therefore, leave us with a deficit balance of six lakhs. We, therefore, felt that we could go no further than we have already done. I have considerable sympathy with my Honourable friend's amendment but as it would involve the department in a deficit budget, I am constrained to oppose it.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head '*Book, Pattern and Sample Packets*' the following be substituted:

'For a weight not exceeding two and a half tolas . .	Six pies.
For a weight exceeding two and a half tolas, but not exceeding five tolas	Nine pies.
For every additional five tolas, or fraction thereof in excess of five tolas	Six pies.'"

The Assembly divided:

AYES 30.

Abdoola Haroon, Seth Haji.	Mangal Singh, Sardar.
Bajoria, Babu Baijnath.	Milligan, Mr. J. A.
Bhagchand Soni, Rai Bahadur Seth.	Morgan, Mr. G.
Buss, Mr. L. C.	Paliwal, Pandit Sri Krishna Dutta.
Chattopadhyaya, Mr. Amarendra Nath.	Parma Nand, Bhai.
Chetty, Mr. Sami Venkatachelam.	Rajah, Raja Sir Vasudeva.
DeSouza, Dr. F. X.	Sant Singh, Sardar.
Gidney, Lieut.-Colonel Sir Henry.	Scott, Mr. J. Ramsay.
Hudson, Sir Leslie.	Singh, Mr. Ram Narayan.
James, Mr. F. E.	Som, Mr. Suryya Kumar.
Lahiri Chaudhury, Mr. D. K.	Sri Prakasa, Mr.
Lalchand Navalrai, Mr.	Vissanji, Mr. Mathuradas.
Leach, Mr. F. B.	Witherington, Mr. C. H.
Lindsay, Sir Darcy.	Yamin Khan, Sir Muhammad
Malaviya, Pandit Krishna Kant.	Ziauddin Ahmad, Dr.

NOES 36.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das-Gupta, Mr. S. K.
Dash, Mr. A. J.
Grigg, The Honourable Sir James.
Grigson, Mr. W. V.
Hands, Mr. A. S.
Hutton, Dr. J. H.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Joshi, Mr. N. M.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Lal Chand, Captain Rao Bahadur Chaudhri.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Zafrullah Khan, The Honourable Sir Muhammad.

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): That disposes of Book Pattern and Sample Packets. We next come to Registered Newspapers. Does any Member want to move any amendment with respect to it?

Pandit Sri Krishna Dutta Paliwal (Agra Division: Non-Muhammadan Rural): Sir, I beg to move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, in the entries under the head '*Registered Newspapers*', for the words 'eight tolas' the words 'ten tolas' be substituted."

My amendment is a very simple one. It does not involve any very great loss for the Department. On the other hand, it will prove a great boon to newspapers and to the newspaper industry. The present postage rate operates as a hardship on that industry, and I say so from my personal experience as a journalist for the last twenty years. Let me take the case of the newspaper which I happen to have with me, *Praja Bandhu*. Its price is two pice, and it is a bi-weekly newspaper. What does the present rate mean? It means that, out of the total value of the paper, 50 per cent. goes to the post office, that is to say, 50 per cent. of the total value of the paper is a recurring charge which is incurred with mathematical certainty on every copy of the paper sent out. But, for my present purposes, let me take the illustration of a one anna weekly newspaper consisting of 32 pages, that is, eight forms, weighing eight tolas. If the paper wants to increase its size to 36 pages, the price would at once go up to five pice because of the postage. If you want to add one more form, the newspaper will weigh more than eight tolas and the cost will go up by 20 per cent. on account of the postage. This is a very great hardship which operates oppressively upon the newspaper industry, and I think the matter has escaped the notice of those who have no experience of the newspaper industry. Therefore, in these days of broadcasting, etc., when Government are so very keen about the propagation of knowledge and useful information, it should not be impossible for them to accept my amendment; and this amendment has got no political motive or objective behind it. It is equally beneficial to all, to the friendly press as well as to the free press; from the Congress Socialist down to the *Statesman*, all will be equally benefited by this amendment, and I hope that the Government will accept it. With these words, I commend my amendment to the acceptance of the House.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, in the entries under the head *Registered Newspapers*', for the words 'eight tolas' the words 'ten tolas' be substituted."

Mr. G. V. Bewoor: Sir, the newspaper rate in India is one of the cheapest in any country of about the same size as India.

An Honourable Member: Why do you always compare?

Mr. G. V. Bewoor: The newspaper rate has remained unchanged since 1898. In 1898, the first unit of weight which was allowed for one pice was from four tolas; it was raised to six tolas in 1906, and to eight tolas in 1909. In Great Britain, the rate for a newspaper is one penny for a weight of six ounces, and in the United States it is one cent for two ounces—roughly equal to 8·7 pies for about five tolas. In Canada, it is 1½ cents per pound, *i.e.*, one anna and one pie for about 38 tolas. I do not think there is any justification for giving a cheaper rate in the form of raising the first unit of weight from eight to ten tolas. It is difficult to say what exactly would be the effect of carrying out the suggestion made in this amendment. Unfortunately, we have not got any statistics showing the different categories of weight in which newspapers posted in the post office go. Actually, a very large number of newspapers go by railway. This traffic is a losing traffic: it is a concession traffic so that for every newspaper that we carry we are actually losing. The cost of handling a newspaper in the post office is very much higher than the postage that we recover upon it. The concessional rate has been given in the interests of the press and the public, and, we consider that the concession given is sufficiently liberal and that there is no justification to go beyond what has already been given. The weight of eight tolas is quite sufficient for all the poorer classes of newspapers, and I must therefore, oppose this amendment. I can only say what the loss would be on a more or less guess work; but if Honourable Members require some figure I can state that, assuming that 56 per cent. of the traffic will be within ten tolas and 24 per cent. within 20 tolas, and also that there would be no increase in traffic, we anticipate, that the loss to the revenues would be about Rs. 74,000; but, as I have already stated, the traffic is a losing one, and any addition to losing traffic is not to be welcomed. As the rate is sufficiently generous, I am sorry that I shall have to oppose this amendment.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, this is perhaps the only item here, where there is some contemplation of helping people towards their education: this is a kind of cultural amenity afforded to the people in rural areas, and this is a matter of Rs. 74,000 only. I am simply surprised that our friends on the opposite Benches always compare our rates with rates in England and America and France and other countries like that. . . .

Mr. G. V. Bewoor: I do that because Honourable Members themselves frequently quote England against India.

Pandit Nilakantha Das: Yes: but are they not aware of the fact that, particularly in this business of taxing newspapers, we should have a special schedule for ourselves, and we should not go on comparing things, particularly with those in England and other like countries? If they tax their newspapers more, it does not matter. For the people there are anxious themselves to purchase newspapers. But what are the circumstances here? Here our object is to introduce newspapers in the villages by every means possible. Hence, in a matter like this, if we propose to make the experiment of raising this weight by two tolas to ten tolas, I think Government should not grudge this Rs. 74,000 in the interests of our rural population and the cultural amenities which will thus be afforded to them.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I wish to support this motion, and, in doing so, I would like to say that, while in other countries 90 per cent. of the paper circulation is being sent through railways, here more than 75 per cent. of it goes through the post; and the largest amount of circulation, especially of our vernacular newspapers, is to be found in rural areas. If you do not reduce your rates, you will be preventing the rural public from getting the benefit of newspapers and all that they can get from newspaper reading. It may be that Government are thinking of developing their broadcasting in order to help the rural masses. Sir, it is the Government which manage broadcasting, and therefore, we cannot be quite sure what sort of propaganda will be carried on by Government. Government themselves have stated that they will restrict themselves to non-political propaganda. Therefore, it is necessary that there should be newspaper reading, especially on political questions; and if there is any need today for the rural masses more than anything else, it is political education, and political education could be imparted to them mostly through newspaper reading. Therefore, in the interests of the rural masses, and in the interests of the advancement of their political consciousness, I wish that this House would support this amendment and give the benefit of cheaper newspaper service to the peasant and workers.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, in the entries under the head '*Registered Newspapers*' for the words 'eight tolas' the words 'ten tolas' be substituted."

The Assembly divided:

AYES 64.

Aaron, Mr. Samuel.
Abdoola Haroon, Seth Haji.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam
Azhar Ali, Mr. Muhammad.
Ba Si, U.
Badi-uz-Zaman, Maulvi.
Banerjea, Dr. P. N.
Bhagavan Das, Dr.
Bhutto, Mr. Nabi Baksh Illahi Baksh.
Chattopadhyaya, Mr. Amarendra Nath.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Venkatachelam.
Chunder, Mr. N. C.
Das, Mr. B.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Deshmukh, Dr. G. V.
Issak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Giri, Mr. V. V.
Gupta, Mr. Ghanshiam Singh
Hans Raj, Raizada.
Hosmani, Mr. S. K.
James, Mr. F. E.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Kailash Behari Lal, Babu.
Khan Sahib, Dr.
Khare, Dr. N. B.
Lahiri Chaudhury, Mr. D. K.
Leach, Mr. F. B.
Maitra, Pandit Lakshmi Kanta
Mangal Singh, Sardar.
Milligan, Mr. J. A
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Nageswara Rao, Mr. K.
Pahwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhuri.
Rajan, Dr. T. S. S.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Satyamurti, Mr. S.
Scott, Mr. J. Ramsay.
Sham Lal, Mr.
Shaukat Ali, Maulana.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Sahib Nawab.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Thein Maung, Dr.
Umar Aly Shah, Mr.
Witherington, Mr. C. H.

NOES 41.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das Gupta, Mr. S. K.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Gidney, Lieut.-Colonel Sir Henry.
Grigg, The Honourable Sir James.
Grigson, Mr. W. V.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Joshi, Mr. N. M.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Lal Chand, Captain Rao Bahadur Chaudhri.
Lloyd, Mr. A. H
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Raja Sir Vasudeva.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sale, Mr. J. F.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not know if any other Honourable Member wishes to move any motion regarding "Registered Newspapers".

(No Honourable Member stood up.)

Then, the Chair passes on to "Parcels". Does any Honourable Member wish to move any motion regarding "Parcels"?

The question is:

"That Schedule I, as amended, stand part of the Bill."

The motion was adopted.

Schedule I, as amended, was added to the Bill.

Mr President (The Honourable Sir Abdur Rahim): The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): Clause 4, Schedule II. The question is:

"That Schedule II stand part of the Bill."

Mr. Mathuradas Vissanji (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I move:

"That for Schedule II to the Bill, the following be substituted :

SCHEDULE II.

(*See* Section 4.)

PART I.

Rates of Income-tax.

A. In the case of every individual, undivided Hindu family, unregistered firm and other association of individuals not being a registered firm or Company :—

	RATE.
(1) When the total income is Rs. 2,000 or less . .	No tax.
(2) When the total income is Rs. 2,000 and upwards, but is less than Rs. 5,000.	No tax upto the first Rs. 2,000 of the income, and the tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	No tax on the first Rs. 2,000 of the income; tax at rate of six pies in the rupee on the income between Rs. 2,001 and Rs. 5,000 and at the rate of nine pies in the rupee on the income between Rs. 5,001 and Rs. 10,000.

(4) When the total income is Rs. 10,000 and upwards, but is less than Rs. 15,000.	No tax on the first Rs. 2,000 of the income; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at the rate of nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; and at the rate of one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000.
(5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	No tax on the first Rs. 2,000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; and at the rate of sixteen pies in the rupee on the portion of the income between Rs. 15,001 and Rs. 20,000.
(6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	No tax on the first Rs. 2,000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at the rate of nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; at sixteen pies on the portion of the income between Rs. 15,001 and Rs. 20,000; and at nineteen pies in the rupee on the portion of the income between Rs. 20,001 and Rs. 30,000.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	No tax on the first Rs. 2 000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at nine pies in the rupee on the portion of the income between Rs. 5.001 and Rs. 10.000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; at sixteen pies in the rupee on the portion of the income between Rs. 15,001 and Rs. 20,000; at nineteen pies in the rupee on the portion of the income between Rs. 20,001 and Rs. 30,000; and at twenty-three pies in the rupee on the portion of the income between Rs. 30,001 and Rs. 40,000.

[Mr. Mathuradas Vissanji.]

(8) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	No tax on the first Rs. 2,000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; at sixteen pies in the rupee on the portion of the income between Rs. 15,001 and Rs. 20,000; at nineteen pies in the rupee on the portion of the income between Rs. 20,001 and Rs. 30,000; at twenty-three pies in the rupee on the portion of the income between Rs. 30,001 and Rs. 40,000; and at twenty-five pies in the rupee on the portion of the income between Rs. 40,001 and Rs. 1,00,000."

In submitting this amendment, my main object is to point out that the income-tax as it stands today, though apparently a progressive tax, is in reality not progressive as between the various stages of the incomes at which successive and progressive rates commence to operate. For instance, while up to Rs. 2,000 there will be no tax, between Rs. 2,000 and Rs. 5,000 the whole of the income would be liable from Re. 1 to Rs. 5,000 at 6 pies, so that that portion of the income which is, by the fundamental principle of the law, exempted from taxation, is also chargeable at the same rate as the surplus over Rs. 2,000 which is regarded in the intention of the law to be the income open to taxation. My amendment seeks to maintain:—

(a) The minimum exempted from taxation to be always exempted.

(b) To charge income-tax only on the surplus of the exempted minimum so that the real minimum of subsistence continues always to be exempted.

(c) To commence each progressive rate of tax for each successive higher amount of income from the point, and only from the point, at which the increment in the income begins, and the rate is intended to increase.

The Honourable Sir Nripendra Sircar (Leader of the House): On a point of order, Sir. My Honourable friend has read only what appears at page 10, and he has not read item No. 9 on page 11, which deals with income above Rs. 1,00,000,—and that is the income, I believe, with which my Honourable friend is concerned—nor the two provisos. Has he done it purposely, or was it due to mere inadvertence?

Mr. Mathuradas Vissanji: I beg your pardon. I missed it. I will read it:

(9) When the total income is Rs. 1,00,000 or upwards	The same graduated rates to apply as in (8) above up to the several portions of the income up to Rs. 1,00,000 and at twenty-six pies in the rupee for all excess above Rs. 1,00,000.

Provided that, rebates shall be given, on income up to Rs. 5,000 at the rate of **Rs. 1,000** free from taxation in respect of every child under 18 years of age depending **upon** the assessee, and one wife of the assessee, subject to a maximum of Rs. 4,000 of **the income** for the purpose of calculating such rebate.

Provided further that rules shall be made under this Act permitting income derived **from business** to be so calculated, for purposes of assessment, that an average of three **years** may be declared to be the income liable to taxation."

I submit, Sir, this is not only a more rational but also a more just method of taxing the incomes. It is impossible, in the statistics published by Government, to estimate exactly in a compendious form what will be the financial consequences of this alteration. I would, submit, however, that inasmuch as I make no changes in the rates of taxation themselves, and exempt only the lower incomes at each successive stage from taxation, or from the higher rate, the loss to the Finance Department ought not to be very considerable. The practice, I understand, even now is for the Income-tax Assessing Officers, in order to avoid the injustice which the present system of average rating involves, to charge the tax only up to such excess as would not make the higher income open to taxation actually less to the individual receiving the income and paying the tax than the lower income not liable to the tax or to the tax at the same rate. To illustrate my meaning, if a man has an income of Rs. 2,010, at the rate of 6 pies in the rupee, which would mean a tax of Rs. 62-13-0, the nett income would be Rs. 1,947-3-0. Obviously this is unjust, and the practice of the Income-tax officers nowadays is to take away only the extra Rs. 10-1-0 and leave the rest of the income as intended by the law free from tax.

1 P. M.

The same practice operates in the higher stages of the income, so that in the administration a sort of rough and ready justice is afforded by the Administrative Officers, which practically avoids some of the grossest injustice to which this method of taxation would be exposed.

By my amendment I am seeking no more than making more regular, lawful, and systematic the assessment of incomes to taxation; and I submit that the loss likely to result would be inconsiderable in view of the practice already prevailing, whereby Income-tax Officers automatically afford justice of a rough and ready sort which I have already mentioned. In view of the very serious objection to which the present system is open, in view of the opportunity it affords to abuse or discrimination and consequent disputes, waste of time and money both to the Government and to the assessees; and in view of the essential fairness and justice of my suggestion, I do hope that the House will agree to the suggestion, and the Finance Member will accept it.

As for the provisos, now that they have been admitted as being quite in order, I may only point out that the intention of the proviso is to make the Indian Income-tax analagous to that prevailing in England, wherein on

[Mr. Mathuradas Vissanji.]

all smaller incomes up to the limit of £700 per annum, a rebate or allowance is granted in respect of every dependent or child under age living with the parents and having to be maintained out of that income. The practice of Joint Family may render the literal incorporation of the British provision somewhat difficult. I have, therefore, suggested only a rebate in respect of only three children and one wife, and that too up to an income of Rs. 5,000 per annum from which a rebate of no more than Rs. 4,000 can be given. If these were adopted, the hardships to the lower smaller men would be very much minimised and the loss to the Finance Department would not be very considerable.

As regards my second proviso, which is meant for permitting merchants to write off trade losses of one year against the profits of another, I may point out that this too is in virtue of previous assurances given by the predecessor in office of the present Finance Member; it is analogous to the practice prevailing in England, where trade losses are allowed to be carried forward for a period, not only of three years but, of six years, and where accordingly the tax collection becomes both more just and easier to bear. I realise that the adoption of this principle may involve a considerable sacrifice to the Finance Department, but I submit that the inherent justice of my proposal ought to make it welcome, if not immediately, at least in the near future to the financial authorities of this country and I can assure them that the facility which is afforded to the commercial community will more than recompense itself by the process of averaging which will really result in no material losses over a period of years, say five or six at the most.

I hope the Finance Member would agree to my suggestion.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for Schedule II to the Bill, the following be substituted:

SCHEDULE II.

(*See* Section 4.)

PART I.

Rates of Income-tax.

A. In the case of every individual, undivided Hindu family, unregistered firm and other association of individuals not being a registered firm or Company:—

	RATE.
(1) When the total income is Rs. 2,000 or less . .	No tax.
(2) When the total income is Rs. 2,000 and upwards, but is less than Rs. 5,000.	No tax upto the first Rs. 2,000 of the income, and the tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	No tax on the first Rs. 2,000 of the income; tax at rate of six pies in the rupee on the income between Rs. 2,001 and Rs. 5,000 and at the rate of nine pies in the rupee on the income between Rs. 5,001 and Rs. 10,000.

(4) When the total income is Rs. 10,000 and upwards, but is less than Rs. 15,000.	No tax on the first Rs. 2,000 of the income; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at the rate of nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; and at the rate of one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000.
(5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	No tax on the first Rs. 2,000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; and at the rate of sixteen pies in the rupee on the portion of the income between Rs. 15,001 and Rs. 20,000.
(6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	No tax on the first Rs. 2,000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at the rate of nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; at sixteen pies on the portion of the income between Rs. 15,001 and Rs. 20,000; and at nineteen pies in the rupee on the portion of the income between Rs. 20,001 and Rs. 30,000.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	No tax on the first Rs. 2,000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs. 5,000; at nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; at sixteen pies in the rupee on the portion of the income between Rs. 15,001 and Rs. 20,000; at nineteen pies in the rupee on the portion of the income between Rs. 20,001 and Rs. 30,000; and at twenty-three pies in the rupee on the portion of the income between Rs. 30,001 and Rs. 40,000.

[Mr. President.]

(8) When the total income is Rs. 40,000 or upwards but is less than Rs. 1,00,000.	No tax on the first Rs. 2,000; tax at the rate of six pies in the rupee on the portion of the income between Rs. 2,001 and Rs 5,000; at nine pies in the rupee on the portion of the income between Rs. 5,001 and Rs. 10,000; at one anna in the rupee on the portion of the income between Rs. 10,001 and Rs. 15,000; at sixteen pies in the rupee on the portion of the income between Rs. 15,001 and Rs. 20,000; at nineteen pies in the rupee on the portion of the income between Rs. 20,001 and Rs. 30,000; at twenty-three pies in the rupee on the portion of the income between Rs. 30,001 and Rs. 40,000; and at twenty-five pies in the rupee on the portion of the income between Rs. 40,001 and Rs. 1,00,000.
(9) When the total income is Rs. 1,00,000 or upwards.	The same graduated rates to apply as in (8) above up to the several portions of the income up to Rs. 1,00,000 and at twenty-six pies in the rupee for all excess above Rs. 1,00,000.

Provided that, rebates shall be given, on income up to Rs. 5,000 at the rate of Rs. 1,000 free from taxation in respect of every child under 18 years of age depending upon the assessee, and one wife of the assessee, subject to a maximum of Rs. 4,000 of the income for the purpose of calculating such rebate.

Provided further that rules shall be made under this Act permitting income derived from business to be so calculated, for purposes of assessment, that an average of three years may be declared to be the income liable to taxation'."

The Honourable Sir James Grigg (Finance Member): I understand from the Mover of this amendment that his intention is to introduce something which is on all fours with the present English income-tax system. Far be it from me to belittle the English income-tax system, but I do say two things about his suggestion. The first is that he has not reproduced the English income-tax system in one very important particular, and, that is, he has made no provision for the English conception of the standard rate, and, if I may say so with respect, that completely vitiates the amendment which he has produced. Secondly, the carry forward of losses is another of his desires, and on that I made my position quite clear on previous occasions. I am not going to attempt to produce any single argument in theory against this question of allowing business firms and companies to carry forward losses. There is no argument in equity against it. The only argument which has ever been brought forward in recent years is the question of cost, and, of course, that argument still prevails. I should think that the degree of carry forward, which the Honourable Member desires in his proviso, will cost about a crore a year, and when we come to examine the remaining part of his scheme, as far as I can make out, the cost of the Schedule taken by itself

is about four crores a year, and the cost of his first proviso is about a crore and a quarter. So, the total cost of his amendment, as a whole, is five or six crores, and obviously no Government can accept proposals of that sort, but let me say this on the general question of alterations of structure or the introduction of the English income-tax system what I said last year that although I am very doubtful whether the English system is applicable, readily or to any very large extent, to India, that is obviously one of the questions which the income-tax experts who are now in India will consider and have been asked to consider. What the ultimate recommendation will be, I cannot say, but they have been asked to consider this question. Sir, with that explanation and with the information before him as to what it will cost and the knowledge that this amendment very imperfectly carries out his desire, I hope he will agree not to press the amendment.

Dr. P. N. Banerjea: On a point of information, Sir,—may I ask what the cost will be if the Finance Member accepts two of the suggestions made by the Honourable the Mover of this amendment, *viz.*, first, that the exempted minimum should be exempted throughout, and, second, that rebates should be granted in respect of wife and children?

The Honourable Sir James Grigg: I cannot answer the point about wife and children, in the absence of any family statistics. I can answer the other point regarding the freeing of "two thousand" from income-tax for everybody; the cost of that would be two crores a year.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, on a point of information, under the English Statute, we find a higher limit up to £700, then there is a lowering or the exemption of £125. I shall make myself clearer. The first £125 are absolutely exempt; if the income is £200, £100 are exempted; if it is £300, ...

The Honourable Sir James Grigg: The Honourable Member is talking about an income-tax scale that was in existence before 1920 or 1921: the whole system has been changed since then. He is talking in terms of a system which has not been in operation for at least ten years.

Prof. N. G. Ranga: Sir, I wish to oppose this amendment . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable the Mover does not perhaps wish to press this amendment; and, if the Honourable the Mover does not want to press his amendment, there is no need for the Honourable Member, Professor Ranga, to speak now.

Mr. Mathuradas Vissanji: Sir, in view of the statement made by the Honourable the Finance Member, I wish to withdraw my amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Honourable Member, Mr. Mathuradas Vissanji, be granted leave to withdraw the amendment, No. 77, standing in his name, which has just been read out."

The amendment was, by leave of this Assembly, withdrawn.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That Schedule II stand part of the Bill."

The motion was adopted.

Schedule II was added to the Bill.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): Sir, I beg to move:

"That in sub-clause (*1*) of clause 4 of the Bill, all the words occurring after the words 'Second Schedule' be omitted."

Sir, this question of removing the surcharges on income-tax has been discussed, at some length, in this House before and I do not want to deal with this matter in great detail. All I want to say is this that there is complete unanimity amongst all sections of the mercantile community, whether Indian or European, whether a full-fledged Congressman like my Honourable friend, Mr. Sami Venkatachelam Chetty, or a semi-Congressman like my Honourable friend, Mr. Mathuradas Vissanji, or a moderate like myself or loyalists like my Honourable friends of the European Group, whether Hindus, Parsis or Muslims all are unanimous that this surcharge should be removed. This income-tax is paid mostly by the trading community and two-thirds of the income-tax is realised from incomes on business. Sir, the rate of income-tax has also been increased during recent years from 50 per cent. in case of lower incomes to one hundred per cent. in cases of higher incomes and this has a very distressing effect on the general trade and industry of the country. Apart from the question of removal of surcharge, there are several other grievances in income-tax matters on which I want to draw the attention of the House. There is the question of the carrying over of business losses. The Honourable the Finance Member replied that it would cost one crore, but the question is whether it is reasonable or not, whether our demand is reasonable or not. All the trading associations have demanded this. Government, so to say, is a partner in our business to the extent of the income-tax. It is only reasonable that when there is loss they should allow us to carry forward our losses to the next year so that we might recoup. Supposing, I lose Rs. 20,000 this year and next year I make a profit of Rs. 10,000. Apart from the fact that I have not been able to recoup the loss of the previous year, I have to pay income-tax to the Government. It has a very bad effect on my finances. Sir, then there is the question of rebates for married men, maintenance for children and other things. The Honourable the Finance Member just now said that all these matters are being discussed and examined by an

expert committee of enquiry. I must say frankly that the business community have got very little confidence in this Committee of experts which is examining income-tax departmental affairs. No commercial man, whether Indian or European, is associated with this expert enquiry committee. The Commissioner of Income-tax, Bombay, is associated with it, and I am sure that the experts will see things only what the Commissioner of Income-tax, Bombay, or other departmental officers show to them. What was wanted was that there should have been a public enquiry committee in which both Europeans and Indians belonging to the commercial community should have been represented and then we could expect some justice from such a committee.

There is another point I wish to bring to the notice of the Government. There is the question of appeals. Section 23(*4*) gives arbitrary power to the income-tax officers to assess summarily and arbitrarily and then there is no right of appeal to the assessee. This is very unjust. There must be a right of appeal and then appeals in cases where they are allowed have to be made to the Assistant Commissioner of Income-tax or to the Commissioner of Income-tax. They are only departmental heads and they have also a hand in the assessment in the first instance. Sir, I think that the appeals should be heard by a judicial tribunal There are several other anomalies in the present system of assessment of income-tax and I think a public enquiry committee should be appointed. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (*1*) of clause 4 of the Bill, all the words occurring after the words 'Second Schedule' be omitted."

The Honourable Sir James Grigg: Sir, as I understand the meaning of this amendment—though the last part of the Honourable Member's speech casts some doubt on his intention—the desire is to remove the rest of the surcharges on income-tax and super-tax: I address myself solely to that issue and not to the ones which he raised in the latter part of his speech though, I would say, if he thinks that the business people in practically every important city in India who have put their case before the Income-tax Experts have made such a poor show of it that these Experts are not likely to be impressed by them, I cannot help that. I gather that abundant opportunities have been given in practically all the big cities in India for the commercial community and other representative bodies to place their case fully before the experts. However, Sir, let us return to our muttons.

This is a proposal to remove the rest of the surcharges on income-tax and super-tax. I dealt fully with this question in my replies to the Leader of the European Group unsatisfactory as those replies were deemed to be, but the fact is that this would cost one crore 38 lakhs and in spite of the assurances to the contrary by people who have no responsibility for making the calculations, we, with the best information at our disposal and using the best intelligence at our disposal, have come to the conclusion that there is not a balance of a crore and 38 lakhs on this year's budget, nor is there likely to be one. And that being so, this would unbalance the budget to a considerable degree and, therefore,

[Sir James Grigg.]

cannot be accepted. At the same time, I should like to repeat what I have repeated several times already that we are very sorry that this should be so. Definite obligations have been undertaken in this behalf by my predecessors, and I have no desire to escape from that obligation. At the same time, with the best will in the world, Government are of the opinion that we cannot do more than we have done this year, and, therefore, I will ask the House to reject this amendment.

Prof. N. G. Ranga: Sir, I wish to oppose this amendment. It is not because I do not want any section of our people to get any tax relieved, but it is because, as we are situated today, we are powerless in our fight against this Government, and, therefore, we are obliged, in spite of ourselves, to pay some taxes or other in order to maintain this Government. This Government collect these taxes, not because we pay them voluntarily but because they have the power to collect them, and so this Government have to be maintained and are being maintained. Who is to maintain this Government? Somebody or other has got to pay the taxes. If this particular tax remission were to be given to these payees of direct taxes, Government would be a loser of one crore and 34 lakhs and Government would begin to wonder wherefrom they could get it. They would certainly think of only one section of the people, and that is the poorer classes of people in this country, as they have always done in the past whenever they wanted additional revenues: They would also hereafter try to get the major portion of it from the poorer classes of this country if they were to need any additional income. Here, especially, when rich people themselves have to be given this remission, Government cannot think of getting any more from the rich people and so they will have to derive all this from the poor people. Is that fair, is that just, to permit this Government to pounce upon the poor and grab these, 1,34 lakhs more in addition to what the poor people are obliged to pay even at present? Sir, I think it is very unfair and very unjust on the part of the rich people of this country to come forward with a demand like this. I do not hold any brief at all for this Government; I do not wish to pay any taxes to this Government as it is today; but I am obliged to pay, I cannot help it. And, in paying these taxes, I should like the rich people to contribute very much more than they are doing today; because I know that the rich people are certainly in a better position to pay these taxes than we poor people. And, what is more, they are deriving very much more benefit from this Government than the poor through the customs duties. It is the rich people really who are being benefited in this country and not the poor people, and it is only fair that, if we are to pay any taxes, they ought to bear the lion's share. But, on the other hand, the truth is that they pay very much less than what the poor people are paying. They do not even pay just as much as the additional income that the poor people have had to pay in the last 15 years even in the shape of customs duties. Therefore, I really cannot be a party to saddling the poorer classes in this country with an additional tax burden of one crore and 34 lakhs of rupees. At the same time, I do want this Government to spend immense amounts of money upon the development of public utilities in this country. They have, within the last two years, given the benefit of a recurring grant or subsidy of two crores of rupees to the rich people, whereas they have only made a non-recurring grant of two crores of rupees for the poor people. That shows how the wind blows. This Government is certainly on the side of the rich and not on the side of the poor; And if you want this relief, I can only say that you are being very unreasonable and very unfair. But I ask this Government to spend very much more money upon public utilities, specially on the rural development grant and such other public utilities. I expect this Government to get very much more money through taxation, but my rich friends here need not get themselves frightened into thinking that I am asking this Government to impose any additional taxation on them. I would certainly like this Government to impose additional taxation on them in order to make good the loss we have inflicted upon them by cutting down the salt duty. But, in addition to that also, I want them to raise some more money. How can they raise it? They can do it . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not go into all that now.

Prof. N. G. Ranga: Without raising the income-tax rates, they can raise money. There is a lot of foreign capital invested in this country which has escaped the payment of income-tax. There are many Europeans and others who keep up a show of living in this country by investing their capital in this country, but in companies, which are incorporated in England, and they are escaping the payment of their proper share of income-tax. In addition to that, there are now 100 crores of rupees that Indians pay in the shape of freight charges to foreign shipping . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is only opposing this amendment. He need not go into other alternative suggestions.

Prof. N. G. Ranga: Therefore, if only Government would direct the Committee, which is now inquiring into the working of the income-tax law, to suggest ways and means by which the Government of India will be able to stop all the leakages that now occur in the collection of income-tax, to enable them to collect all the income-tax that they could certainly collect, it would be possible for the Government of India to assure for themselves an additional income of at least eight crores of rupees through this means of income-tax alone. And if they were to do it, they would certainly be able to spend very much more on public utilities and also help these rich people by not taxing them immediately to any greater extent than at present.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (*1*) of clause 4 of the Bill, all the words occurring after the words 'Second Schedule' be omitted."

The motion was negatived.

Dr. P. N. Banerjea: Sir, I move:

"That in sub-clause (*1*) of clause 4 of the Bill, for the word 'one-twelfth' the word 'one-sixth' be substituted."

Sir, my object in moving this amendment is to insist that Government should, both at the time of imposing fresh taxes and at the time of tax remission, keep always in view the principle of ability to pay, which is recognised everywhere to be a sound and just principle.

Mr. President (The Honourable Sir Abdur Rahim): Does the Chair understand the object of this amendment to be to keep the law as it stands?

Dr. P. N. Banerjea: Yes, Sir. Now if this principle is kept in view at the present moment the reduction in surcharges which affect the poorer classes of the population should have precedence over reduction of surcharges which affect the middle and richer classes. The other day, my Honourable friend, Mr. James, waxed eloquent over the difficulties of the middle class. Now, to my mind, the poorer middle class have already been exempted from the scope of income-tax by reason of the minimum limit having been raised to Rs. 2,000. If, however, this term "poorer middle classes" be extended to some extent, it might include those whose incomes range between Rs. 2,000 and Rs. 5,000. I would not object to the surcharge being removed on these incomes, but I would certainly object strongly to the surcharge being reduced at the present moment on incomes above Rs. 5,000. In this connection, it is a matter of great regret to me to find that my European friends have always taken a very unfair attitude, not on the present occasion alone, but always in the past. When income-tax was first levied, the European community in India strongly objected to its imposition, and in 1866, Sir John Lawrence, the then Governor-General, wrote in a minute to Sir Stafford Northcote:

"The English community have objected to the income-tax. It was mainly through their influence that it was not continued in 1865-66 . . . . . The English community almost universally lend their influence in favour of increased expenditure of various kinds, but when it comes to taxation to meet the extra cost, they resist their share of the burden."

On another occasion, Sir John Lawrence wrote that the English community always wanted that taxes should be levied only on Indians. This attitude is wrong, and I hope that the leaders of the European community, who are all enlightened men, will widen their outlook in future and enlarge their vision.

This House has now decided to abolish the salt duty and to reduce the price of the postcard. It is now incumbent upon us to help the Government to balance their budget (*Cries of* "Hear, hear"), and one of the means by which we can help Government to balance their budget is through my amendments—this amendment and another which will soon be moved. If that is done, it will go some way towards balancing the budget. If Government adopt the policy of retrenchment in all departments, the entire budget can be balanced without any difficulty. As my amendment is intended to help the Honourable the Finance Member, I am sure he will welcome it. With these words, Sir, I move my amendment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (*1*) of clause 4 of the Bill, for the word 'one-twelfth' the word 'one-sixth' be substituted."

The Honourable Sir James Grigg: I am properly—I use the word designedly—grateful to the Honourable the Mover for his kind offer of assistance, but as I once before quoted in this House a tag to the effect that I fear the Greeks especially when they bring gifts in their hands. . . .

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Who is the Greek here?

The Honourable Sir James Grigg: . . . and, on the whole, I must say that I prefer the Government's own scheme of tax remission to the one which the Mover has offered to me. Sir, this is all part of the same debate which has been going on over the whole of the last two years about the question of priority of reductions of taxation. In my view, as I have said over and over again, this question is settled by the pledges given by my predecessor and as, in any case, I think the gift which the Honourable Member now brings is quite inadequate to repair the damage which he and his friends have done, I would ask the House to join me in rejecting the gift which is now offered.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (*1*) of clause 4 of the Bill, for the word 'one-twelfth' the word 'one-sixth' be substituted."

The motion was negatived.

(Mr. Mathuradas Vissanji stood up to move the next amendment.)

The Honourable Sir James Grigg: This amendment was dealt with by me with No. 29.

Mr. President (The Honourable Sir Abdur Rahim): Is this the same as the other?

The Honourable Sir James Grigg: One is super-tax and the other income-tax. In my reply, I dealt with both the points.

Mr. President (The Honourable Sir Abdur Rahim): But he must move the amendment.

Mr. Mathuradas Vissanji: Sir, I move:

"That in sub-clause (*2*) of clause 4 of the Bill, all the words occurring after the words 'Second Schedule' be omitted."

I shall be very brief in my statement. The arguments for my amendment have been mentioned very clearly by the Leader of the European Group, and I do not want to repeat them. The present Finance Member's predecessor had given the promise to remove the surcharge no sooner the emergency expired. With these few words, I move the amendment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (*2*) of clause 4 of the Bill, all the words occurring after the words 'Second Schedule' be omitted."

The Honourable Sir James Grigg: Sir, if I may, without disrespect, say that as the arguments which I used on the occasion of the Honourable Member's former amendment apply to this equally I do not think I need say any more.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Read them out again.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (2) of clause 4 of the Bill, all the words occurring after the words 'Second Schedule' be omitted."

The motion was negatived.

Pandit Nilakantha Das: Sir, I beg to move:

"That in sub-clause (2) of clause 4 of the Bill, for the word 'one-twelfth' the word 'one-sixth' be substituted."

I know the fate of this amendment even before I move it. I am not in a mood to make any offer of money to the Government for balancing their budget, nor, to repeat the words of my friend, Prof. Ranga, do I like to be a party in making money for this Government in one way or another. They are themselves highly equipped for it and don't need our help. But I should like to take this opportunity to raise a voice of protest in clear terms—which has hardly been done. Whenever there arises an occasion for reducing taxes, the first thought of the Finance Department is the commercial classes. The Honourable the Finance Member has, in fact, said that it is in response to the pressure from commercial quarters that these income-taxes are being reduced.

Sir Cowasji Jehangir: When did he say that?

Pandit Nilakantha Das: In his budget speech. I have not got it here. He has said so: and in the last paragraph, by way of apology, so to say, he has said 'I have done something for the agricultural classes'. Perhaps he means thereby the village reconstruction grant. I do not think much of it. I know the effect of such grants and their intentions; but the main . . . .

3 P.M.

Mr. M. S. Aney (Berar Representative): What is their intention?

Pandit Nilakantha Das: Their intention may be half-political, and the effect is that all the money may not go to the benefit of the villager. It may flow out on the way into other channels. Whatever that be, the whole policy of taxing the country is rotten, and I just utter a word of warning that we are heading towards an economic ruin, out of which neither the Government nor the commercialists will ever be able to recuperate us although our power of recuperation, says the Finance Member, is marvellous. We cannot revive. We are going towards such a situation. We are always cutting down income-tax like this, but the figures are appalling. We have been given figures from 1921-22 to 1936-37. In 1921-22 the figures for customs, including salt, are 41 crores; and in 1936-37 for the same including salt the estimate is 64 crores, or an increase of 23 crores so far as the tax realised from the people by the Government alone is concerned, not to speak of the amount that goes to the industrialists. But look at the income-tax figures. From 22 crores in 1921-22 it is now less than 16 crores.

An Honourable Member: Due to reduction of taxation?

Pandit Nilakantha Das: Yes, year after year . . . .

Mr. A. H. Lloyd (Government of India: Nominated Official): The rates are much higher now than in 1921.

Pandit Nilakantha Das: But you must compare the rate in both cases. You must compare at what rate the villager is paying today. The man who pays indirect taxes pays at a much heavier rate today; and another factor is that he has no money to pay. I know, in our villages, even men owning hundreds of acres of land are unable to pay their land revenue out of their produce; and, in many instances, I can show to the Honourable the Finance Member, if he comes with me to my villages, that people are earning money outside the province and in foreign labour centres only to pay the land revenue. So the rates does not matter: the money must be found out from somewhere; and that 'somewhere' is not in going on piling indirect tax on the people. Another factor in this indirect tax is that this increase of 23 crores is not the only money that the villager, the indirect taxpayer, is paying. This is his payment to the Government alone. He is paying much more than this 23 crores: perhaps the industrialists and the commercial quarters, as the Honourable the Finance Member calls them, pocket more than even 23 crores out of the payment of the indirect taxpayer; in no case it is less than 23 crores. The Finance Member himself admits that only in textiles and sugar 34 crores are paid by the villagers and the people of this country by way of indirect taxation, out of which he himself gets only seven crores for the State Exchequer. 27 crores goes into the pockets of these commercialists, and we may calculate the price of sugarcane, the price of cotton, the price of labour—everything told, let us say, 20 crores goes: and at least seven crores, that is, as much again as the Government gets, is being available to the commercial interests in this country. Where then is the logic? Where is the reason, that, whenever there is any occasion for reduction of taxes, we should always look to the protection of these organised interests, who can make their voice better heard, while Government pose themselves to be the custodians of the interests of the poor masses of this country? Do they ever realise that the mass of the population are, on account of this unequal treatment, going to rack and ruin?—And all this is being done in the name of protection of our industries? Of course in principle, I may not be against protection as such; but the method and manner of its implication and application must undergo a radical change. The incidence must be carefully calculated, and in this connection facts must be faced. If you go on protecting like this, and if for that you look to organised commercial and industrial interests in this country, and in this manner—I do not go into the detailed implications as this is not the occasion for that—but if you do it like that, you do not know that either knowingly or unknowingly the Government are a party in killing all our industries and all our real wealth in this country. Interested parties take advantage of all the protection and they use it only for their own benefit to the detriment of the real industrial interests of this vast land of India. I can show you particular examples . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think the Honourable Member can discuss these things now.

Pandit Nilakantha Das: I know this is not the occasion for it (Laughter), but I could not get an opportunity during the discussion of the budget. But, so far as it is relevant . . . . .

Mr. President (The Honourable Sir Abdur Rahim): No, it is not relevant at all.

Pandit Nilakantha Das: When we are going to cut down direct taxes, I shall speak this much, that I know, in the management of their sales of industrial products, combines and many other like devices, they are not only pocketing all the money out of which they pay nothing to the State coffers, but they are out to kill the very industries of this country, the cottage and small industries which were the mainstay of India's economic structure from time immemorial. I should like the Finance Member to realise this fact and that it is time for him to cry halt to this unholy alliance with the organised commercial quarters. He should never think of reducing direct taxes, but rather to devise ways and means for putting more and more of direct taxes and take at least some amount from the pockets of people who are making large profits and in this way to give relief to the poor villager in this country. On this occasion I cannot say anything more and I move this amendment, though I know its fate.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (*2*) of clause 4 of the Bill, for the word 'one-twelfth' the word 'one-sixth' be substituted."

The Honourable Sir James Grigg: Sir, with much of what my Honourable and, if I call him so, Cassandra-like friend, said, I am in agreement; but with a great deal of what he has said I am in profound disagreement. However, after the broad hint from you, Sir, that a great deal of what he said was not relevant to this amendment, I think I might very well ask him if I may be allowed to make the same reply to an amendment, which deals with the question of not reducing the surcharge on super-tax, as I made in dealing with a similar amendment on income-tax, and ask the House not to agree with the Honourable Member on this occasion.

Mr. Sami Venkatachelam Chetty (Madras: Indian Commerce): Mr. President, I should like to say a few words in answer to my friend, Pandit Nilakantha Das. I am sorry that he has introduced unnecessarily irrelevant topics in the consideration of this proposition, which are calculated to be mutually destructive in our arguments. It is a pity that he should be objecting to the very tardy recognition of the necessity for removing the various surcharges which were introduced as a measure of emergency taxation on the ground that the agriculturist is taxed very heavily. Sir, whenever the plea for the reduction of taxation of agriculturists was brought in, he has always received more than necessary support from those who are not hit by this kind of taxation. At no time did we fail to sympathise with the condition of the agriculturists and to emphasise the necessity for reducing the taxation on agriculturists. As a matter of fact, Sir, but for the provision the Honourable the Finance Member has made for Bihar and Orissa, it would perhaps have been possible to remove even the balance of surcharge. I do not, however, propose to oppose the grant for Bihar and Orissa, because we recognise that the provinces which have got to be started should receive these grants, but they can only be paid by mutually helping each other and not by indulging in destructive arguments of the kind my Honourable friend has chosen to put forward today.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (*2*) of clause 4 of the Bill, for the word 'one-twelfth' the word 'one-sixth' be substituted."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): As regards the Preamble, that has to be amended, isn't it? The words "fix the duty for British India" have perhaps got to be taken out. Somebody has an amendment.

Mr. A. H. Lloyd: May I submit, Sir, that the particular amendment did fix the duty on salt and then remitted it. So it is in order.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

The Honourable Sir James Grigg: Sir, I do not move the motion which stands in my name to proceed further with the Bill today.

Mr. S. Satyamurti: Why not? May I know why he is not moving?

Mr. President (The Honourable Sir Abdur Rahim): Then we come to Demands for Supplementary Grants for 1935-36.

DEMANDS FOR SUPPLEMENTARY GRANTS.

TRANSFER TO FUND FOR SIND AND ORISSA BUILDINGS.

The Honourable Sir James Grigg (Finance Member): Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 45,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Transfer to Fund for Sind and Orissa Buildings'."

Mr. President (The Honourable Sir Abdur Rahim): There are some amendments, and one is in the name of Mr. Ayyangar.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): I don't move it.

Inadequate Funds for Railways in Orissa.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 45,00,000 in respect of 'Transfer to Fund for Sind and Orissa Buildings' be reduced by Rs. 100."

Mr. President (The Honourable Sir Abdur Rahim): What is the object of that?

Mr. B. Das: My point is that this sum is quite inadequate for buildings in Orissa.

Mr. President (The Honourable Sir Abdur Rahim): You want more?

Mr. B. Das: Yes, Sir. I would not be so ungrateful as to take away Rs. 100 from the 27½ lakhs which the Finance Member has kindly set apart in his budget for Orissa Capital buildings . . .

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): You will lose what you have got.

Mr. B. Das: I will gain more. If you will only have a little patience to hear what I say, my friend will see that I will gain more.

In the course of his budget speech, the Honourable the Finance Member mentioned in paragraph 55 that "We propose to limit our liabilities strictly to Rs. 45 lakhs, and, out of this 45 lakhs. 17½ to Sind and 27½ lakhs to Orissa",—the word "strictly" has set me athinking, since he made his remarks. How would the Finance Member confine his budgetary statement in respect of Orissa Buildings to 27½ lakhs? Here I have a statement to show that when the province of Bihar and Orissa jointly came into existence in 1912, the Government of India gave them for building purposes Rs. 152 lakhs, and the Government of Bihar and Orissa spent four crores of rupees on their buildings on provincial account in that part of the province which is known as Bihar and Chota Nagpur. If they had spent a little more money in Orissa then, they would have made the land of Orissa today, instead of a place of huts and famines, a land of beautiful buildings and palaces, but as Orissa would have 25 per cent. of the amount of money that the Bihar Government spent on Bihar and Chota Nagpur, the Government of Bihar and Orissa ought to

have spent a crore of rupees in Orissa in public buildings, but, as far as I can visualise the position, they have spent nearly 20 lakhs throughout the whole of Orissa for building purposes during those years. The Finance Member recognises that it is an obligatory duty of the Central Government to provide buildings to give a start to all the provinces when they come into existence. He himself mentions that the Frontier Province received as a present all the buildings that the Government of India possessed, and my friend, Dr. Banerjea, who was a little bit excited a few minutes ago, will recognise that it was a rueful day when the Government of India decided to transfer the Capital from Calcutta to Delhi. And, Sir, what happened? Your own province got buildings worth crores and crores of rupees from the Government of India . . .

Dr. P. N. Banerjea: It was very wrong on the part of the Government of India to have removed their capital from Calcutta to Delhi.

Mr. B. Das: My friends from Bengal have profited thereby, because they have got so many buildings from the Central Government. The Audit Department will soon appoint a Controller of Accounts in Orissa. Has my Honourable friend included within this Rs. 27½ lakhs a building for the Controller of Accounts? No. I know it is not included.

The Honourable Sir James Grigg: Who told you?

Mr. B. Das: The estimates that were prepared by the Orissa Committee did not include this. In the Sind province, there is Karachi, a beautiful city with beautiful buildings. Those of us who have gone to Karachi have seen the magnificent buildings there, not only belonging to the Government of India, but belonging to the Government of Bombay, and all these are handed over to the Government of Sind. But fate has gone against Orissa. From the Government of Madras we have got 18,000 square miles of land but it has no official building. The Orissa Administration is going to have one district headquarters at Koraput and two sub-divisional headquarters, and at present they do not know whether they will have these offices—in tents or in huts. I would, therefore, earnestly urge on the Honourable the Finance Member to revise his estimates and to give, not what I demand, but what the Government of Bihar and Orissa have demanded on behalf of the Orissa Administration. As far as I know, the Orissa Administration has demanded nearly Rs. 20 lakhs for the district headquarters and the two sub-divisional headquarters. There is a certain school of administration in Orissa who do not want that the Capital of Orissa should be located at Cuttack. They do not know what travails the Government of India went through when they located their Capital at Delhi. The estimate of Rs. 4 crores went up to Rs. 23 crores. There are some mad schemers in Orissa who want the Capital of Orissa to be built in some no-man's land, and they will build their towns, gardens, hospitals, even clerks' quarters and chaprasis' quarters. God forbid that that will come to pass, because that will be the same sort of gamble as the predecessor of the Honourable the Finance Member did in 1912 when the Government of India was located in Delhi, and the estimate of Rs. 4 crores went up to Rs. 23 crores. I do not want that the Government of India should give me a larger sum of money than the Rs. 27½ lakhs they have estimated for the building portion of the capital town, but that does not contemplate the buildings that are required to complete the administrative units in the district and subdivisions of the district. That, according to my own estimate, requires at least Rs. 20 lakhs, and I do honestly urge that that sum of money may

[Mr. B. Das.]

be given. I may remind the Honourable the Finance Member, and he himself has told us that, in spite of giving the Frontier Province a present of those huge buildings belonging to the Government of India, they had to give Rs. 3 lakhs in addition. I submit that Orissa must be brought up to the status of the Frontier Province or the Province of Sind, or the status of Bihar as it was between 1912 and 1920. While other people in Orissa have estimated a demand from the Centre of crores of rupees for buildings, I am not so sanguine as to demand a large sum of money, but I do want that the Government of India should give sufficient money for Orissa, so that these buildings may be constructed at the cost of the Government of India, and not from the paltry revenue of the province of Orissa. I am not going to talk here of additional subvention, as I have got a special cut under another demand, but my Honourable friend knows that the revenues of Orissa do not permit the Orissa Government to gamble away from the small resources of the province in extravagant expenditure on public works. Therefore, the initial cost of the buildings should be met by the Government of India.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 45,00,000 in respect of 'Transfer to Fund for Sind and Orissa Buildings' be reduced by Rs. 100."

Mr. M. S. Aney (Berar Representative): I fully sympathise with my Honourable friend, Mr. B. Das, in his earnestness and desire to get more money for his province, which is a new province. The difficulties which he has pointed out are that the grant that is made here will not be sufficient or adequate to meet the expenditure which the Provincial Government will have to incur for raising buildings, particularly for the district headquarters and so on. As the Government of India has helped the Orissa people in having a new province, it becomes somewhat obligatory upon them to give them some assistance in making it a decent province also. From that point of view, nobody will object to the demand that is being made by Mr. B. Das in the interests of his province. But I want to make a suggestion for his consideration and for the consideration of other Members also. One of our standing complaints against this Government is that it is unnecessarily extravagant in spending money on brick and mortar. Palatial buildings for offices and Secretariats have been a fetish with them and we have been criticising them for that. I believe that our friends in Orissa may legitimately desire to have a decent capital and a decent district headquarters also, but they should disabuse their minds altogether of having palatial buildings in their headquarters and capital towns. They must set a lesson of spending modestly on public works and showing better work by having buildings of smaller dimensions and of a less costly nature.

Mr. B. Das: That is all I want.

Mr. M. S. Aney: I have not got the estimates before me, and I cannot say whether the particular amount that is wanted here will be sufficient or not. But I want them to keep this ideal in their minds and not to go in for imitation of extravagant expenditure on Capitals which the British Government has been building here and elsewhere also. It was only for the purpose of giving that warning that I really got up, otherwise, I sympathise with the demand for more grant to Orissa if found absolutely necessary.

The Honourable Sir James Grigg: It is with a sense of deep disappointment that I reply to the Honourable Member's cut motion. I am one who has attracted to himself a good deal of controversy and a good deal of attack in this House, and now I thought that at last I had done something which would win me a certain measure of gratitude from, at any rate, four or five Members of this House. But what is the position? Out of the five Members from Sind, four are absent, and of the two Members from Orissa, both have put down cut motions. Well, Sir, if it would be any pleasure to the Members from Orissa, let me say at once that, if the House should agree with them in this cut motion, I am quite prepared, in this matter, at any rate, to accept their view. (Laughter.) But, of course, they do not want that at all. Here is the position. This amount is what the Government of India are prepared to give to Orissa in respect of their Government buildings. If they need more Government buildings, that, presumably, is a matter which will have been placed before Sir Otto Niemeyer by those who are entitled to speak on behalf of Orissa, and I think that anything above the Rs. 27½ lakhs which the Government of India are prepared to allot to Orissa must be provided by Sir Otto Niemeyer. I gather that the Honourable Member proposes to raise in connection with the next grant the question regarding the recurring subvention to Orissa. I am not sure whether it is relevant there, but, apart from that, that also is a matter which is *sub judice*. The Honourable Member has submitted a considerable document to Sir Otto Niemeyer, I know, and he really ought to have enough confidence in the strength of his case and leave it at that. As I said just now, if the House wishes to have his cut in this grant, I shall certainly be prepared to accept it on condition that the cut is debited solely to Orissa.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): I am very happy to learn that the Honourable the Finance Member expects thanks from Members from Orissa.

The Honourable Sir James Grigg: I did not expect them. I was disappointed not to get them.

Pandit Nilakantha Das: We are ready to thank him whole-heartedly in this matter, for a separate province has been a life and death problem with Orissa. We have been fighting for it for the last 30 years or more. I do not know the plans and estimates of the buildings or anything else about it. This I must confess; and also that we have not got a public body like a Provincial Legislature in Orissa which has examined it. I hope all these details will be examined and discussed and the public of Orissa will have some hand in framing this estimate with which the Government of India will agree as far as practicable. But, here, in this connection, I want to make two or three points clear, which I expect my Honourable friends may remember. Perhaps with the word "subvention" is associated some idea which is not *prima facie* palatable either to the giver or to the receiver. But I may remind the House that Orissa was a full-fledged empire some three hundred years ago. It was the last to lose its independence only in the latter part of the 16th century. It had oversea colonies, trade and spheres of influence and it has got the glorious remains of monumental works of art, architecture and engineering and buildings, which evoke admiration from even foreigners. We were

[Pandit Nilakantha Das.]

not poor as we have been made to be in neglect. During the English rule, we have been divided and put in slices in several provinces—at the tail end of each province—and have, in the past, contributed for Universities, High Courts, training and technical institutions and Provincial Government buildings like Council Houses and Secretariates in all those provinces. If we look at Orissa today, we see nothing. Our land system rotten in imitation, our irrigation neglected, our education languishing, and we have no money.

We pay all taxes for the protection and promotion of industry, but we have no industry. Even in Bihar, there are sugar factories, in Bengal there are coal mines and iron factories. In Madras, there is the textile industry. What is there in Orissa? We pay without return—without any expectation of it. We are a purely consuming Province. I calculated on another occasion that each consumer in India pays Rs. 4 now to the State and to the Industries. Thus, including the Orissa Native States, we, 120 lakhs of Oriya people, are paying Rs. 4 per head—in all about 4 crores and 80 lakhs of money. Half of this money is coming to the State Exchequer.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): What about Tatanagar?

Pandit Nilakantha Das: It is not in Orissa unfortunately. We claim it still. But what I was saying is that I want the House and the Government to remember this in connection with grants or subventions to Orissa. We pay two crores and 40 lakhs to the Central Government in tax and an equal amount to Industries outside Orissa for protection. Will the Government of India give us anything more, though it should, in justice, perhaps for some years at least, give nothing less? Hence when a grant is made to Orissa let not people be carried away with the idea that we are getting all this for nothing.

I need not say more on this point today. There is another point which I want to mention. There is one district headquarters which is going to be built at Koraput in the partially excluded area of Jaipur. I am afraid the decision is going to be that this district will include the little area of 200 square miles, *i.e.*, Parlakimedi, a normally administered area, which has no affinity and no convenience of communication with other areas of Koraput district. We have received—Mr. B. Das and myself have received more than a dozen representations from various meetings, associations and individuals from this little area of 200 square miles, protesting against its inclusion in the contemplated Koraput district. They all enjoin us to press the Government to see that this normally administered area, which was so long with Ganjam and whose headquarters are now Berhampore and Chatrapur, should not go to Koraput. I personally know that this will be a very bad arrangement. People there are greatly perturbed and practically upset at this proposal, and they have also pressed this question directly in telegrams and letters, I understand, on the Government for their consideration. In this connection, I press their claim, with all the emphasis that I command, so that they may remain in the normally administered area of Ganjam, and not be included in Koraput and thus singled out to be linked to the partially excluded area of Jaipur.

Mr. M. Ananthasayanam Ayyangar: I support this cut motion but with a qualification. I come from a presidency where, unfortunately, the Government and ourselves have not been able to find anything to complain. The Local Government of Madras has always been showing a surplus budget. We, in the mufassil, know how that surplus is arrived at, how the poor man is made poorer still but it appears that this is the day for those who complain. They get all the success and all the money. If our friends from Orissa want money, I have no objection to their having a loan of 47 lakhs or 47 crores if necessary. Let the whole money be spent on buildings and buildings alone. We are splitting this country into hundred different pieces, each piece trying to wag the head, tail and the body of the other pieces. We know how these new Provinces came into being. I am not going into ancient history. Again and again, I have heard my Honourable friend, Pandit Nilakantha Das, say that the poor people are taxed, in the matter of kerosene and other necessities but what right has my Honourable friend and his friends to come and ask that the general taxpayer from Cape Camorin, Eastern Bengal and the North-West Frontier Province must join to contribute to build up this Orissa Province. (Interruption by Pandit Nilakantha Das.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Members should settle their disputes outside.

Mr. M. Ananthasayanam Ayyangar: I shall presently come to that . . . . .

Pandit Nilakantha Das: I do not want from anybody else.

Mr. M. Ananthasayanam Ayyangar: All that I am stating is that all of us may join together and grant a huge loan both to Orissa and Sind.

Mr. B. Das: Accepted.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): At what rate of interest?

Mr. M. Ananthasayanam Ayyangar: At any rate of interest that prevails, say 3 or 3½ per cent. Sir, I would say that already the central revenues are heavily taxed. The North-West Frontier Province in one corner takes away a crore, Sind takes away Rs. 1 crore 8 lakhs. The Sukkur Barrage is not, we are told, a barrage but a sink, it is not going to give us a pie. Some paper that was distributed showed that Sind and Orissa furnish an appalling story although we were assured by the Honourable Member who comes from Sind city that the Sukkur Barrage will certainly yield a profit. .

Mr President (The Honourable Sir Abdur Rahim): The Honourable Member need not go into that.

Mr. M. Ananthasayanam Ayyangar: All I would say, both with respect to Sind and Orissa, is that, even as they are, without the separation charges, on the basic value of the original expenditure, they are not able to support themselves. What I find is that if the provinces are cut away into two separate portions of Sind and Orissa and the existing

[Mr. M. Ananthasayanam Ayyangar.]

establishments are maintained, even then there is a deficit, and well, with respect to Orissa, we find a yearly charge, owing to separation, of 19·1 lakhs. Even before separation, there is a deficit of 20 lakhs in revenue. Similarly is the situation with respect to Sind. Thus, not a pie even from the ordinary revenues of Sind or Orissa has been used for buildings, towers or turrets either in Madras or elsewhere. Already they are deficit Provinces. They go on asking for more and more, so that the general tax-payer may be taxed more heavily. All this is surely very sorry business; and it requires too much courage on the part of my friend to ask for such a contribution. I would say let there be a loan for such purposes and nothing more.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 45,00,000 in respect of 'Transfer to Fund for Sind and Orissa Buildings' be reduced by Rs. 100."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 45,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Transfer to Fund for Sind and Orissa Buildings'."

The motion was adopted.

TRANSFER TO THE REVENUE RESERVE FUND.

The Honourable Sir James Grigg: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,97,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Transfer to the Revenue Reserve Fund'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 1,97,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Transfer to the Revenue Reserve Fund'."

Refusal of Supplies.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, I should like to move my amendment concerning the refusal of supplies.

Mr. President (The Honourable Sir Abdur Rahim): That is not in order?

Mr. S. Satyamurti: I submit, Sir,—and I have read your ruling of last year,—that this is a new service. The Revenue Reserve Fund is for the first time being created by the Government, and you have ruled, Sir, that when a new service is brought about by means of a supplementary demand, we can raise this question of policy.

Mr. President (The Honourable Sir Abdur Rahim): The Chair finds there is a ruling here by Sir Ibrahim Rahimtoola that seems to be against the Honourable Member; *viz.*:

"The Member should deal with the motion on financial grounds and should not concentrate on making out a grievance."

—(Pp. 1228-30 of Rulings, 29th September, 1931, Part II.)

Mr. S. Satyamurti: I have not got that ruling with me, but I do not suppose, Sir, it refers to a "new service"; that is the distinction I seek to make. There was a long argument last year, and I took all these points and the Finance Member accepted the view that when he asked for a demand for a new service, we can raise the entire question of policy.

Mr. President (The Honourable Sir Abdur Rahim): Is it a new service, or not?

Mr. K. Sanjiva Row (Government of India: Nominated Official): The demand is for a new service, but even in the case of a new service it does not mean that, as in the case of an ordinary demand for a grant, an Honourable Member can raise questions of policy. We admit, Sir, that this is a new service, but in respect of a supplementary demand for a new service, I submit the discussion should be confined to that particular service, and one cannot refuse supplies on the ground of general grievances.

Mr. S. Satyamurti: I do not think one raises any question of general grievances, except the creation of this fund, and the policy behind the creation of this fund.

Mr. K. Sanjiva Row: That they can certainly discuss, Sir.

Mr. S. Satyamurti: Sir, just one word about an incident that happened here this morning. My Honourable friend, Mr. Sri Prakasa, got up, and expressed the support of our Party to the European Group's cut motion on the Finance Bill. Now, owing to later developments, we changed our attitude. I merely want to explain that he had full authority to state what he did state, and it was a last minute change, and I only want to make that perfectly clear.

Sir, I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,97,00,000 in respect of 'Transfer to the Revenue Reserve Fund' be reduced to Re. 1."

Sir, this is dealt with in this blue book at page 2, and it merely says:

"This is in accordance with the proposal explained in paragraph 36 of the Speech by the Honourable the Finance Member on introducing the Budget Proposals for 1936-37."

Sir, I want to make one preliminary observation. The habit of creating Funds and getting block grants put into those Funds is becoming a little too fashionable with the present Finance Member. Thus, we have already a Road Development Fund, a Broadcasting Fund, a Rural Development Fund, a Civil Aviation Fund, I think, and we are now

[Mr. S. Satyamurti.]

having this Revenue Reserve Fund. Last year, Sir, I took a number of points, but you, Sir, while holding them to be in order, gave a broad hint that it is for the House to consider whether it can support this practice of putting large sums into funds in this way, and thus practically voting what are called block grants, and I also want to draw a distinction between this Fund and other Funds. The Road Development Fund is, after all, administered ultimately by the Local Governments, and, in the first instance, after consideration and decision by a Committee of the whole House.

The Honourable Sir James Grigg: Sir, I do not know whether my intervention now is unnecessary or untimely. If so, I shall apologise afterwards, but I think the Honourable Member is rather, in this instance, flogging a dead horse. As regards this Fund, there is no question of taking any items of expenditure away from the purview of the House. They will be provided for by demands for grants in the ordinary way, and the only method of operating the Fund will be to appropriate from it in aid of revenue. The House does not part with one iota of its control over expenditure . . . . .

Mr. S. Satyamurti: I am thankful for the interruption; I think it makes the point different from the point governing other Funds.

The Honourable Sir James Grigg: It is quite different.

Mr. S. Satyamurti: I will, therefore, not pursue the point, but will go on to the next point. Now, let me take paragraph 36 of the Honourable the Finance Member's speech. It contains the reasons for the creation of this fund. I think, Sir, we must begin a few lines above that, and I want the attention of Honourable Members who are interested in this to be turned to the speech of the Honourable the Finance Member on page 15 (paragraph 35) where he says:

"After this grant there will remain available from 1935-36 a sum of Rs. 1.97 lakhs and before I can deal with this, we must not only look at the position as it is likely to be in 1936-37 but we must also cast forward and attempt to make some estimate of the position we shall be faced with in 1937-38 and the immediately succeeding years."

Then, para. 36 begins:

"We now expect to have a non-recurring balance of Rs. 1,97 lakhs avialable from 1935-36," *that is the current year*, "and an estimated surplus of Rs. 2,05 lakhs available in 1936-37. What does this imply for 1937-38 which we are assuming to be the first year of Provincial Autonomy. If all goes well, we may perhaps count upon certain reductions in interest charges and improvements of revenue which will produce what in Government of India parlance is known as a betterment of some Rs. 2½ crores over the figures for 1936-37."

So that, Sir, taking these various surpluses,- it comes really to more than six crores. On the other hand, having made this calculation on the credit side, the Honourable the Finance Member goes on to the debit side:

"On the other hand, the separation of Burma will cost us Rs. 2¾ crores in that year while it would not be safe to assume a figure of less than Rs. 2 crores as the cost of the initial adjustments which will emerge from Sir Otto Niemeyer's enquiry, that is, on the existing basis of taxation we can expect in 1937-38 at best a bare balance."

Now, Sir, this morning my Honourable friend said that he knew nothing about the proposals which Sir Otto Niemeyer was going to make. I should like to know, as a matter of intellectual curiosity, how he arrived at the figure of two crores, which he says it would not be unsafe to assume as the figure which will represent the cost of the initial adjustments, which will have to be made as a result of that enquiry:

"If this conclusion is right"

—that is to say, if in 1937-38 we can expect at best a bare balance,—

"then it looks at first sight as if it would be unjustifiable to reduce taxation at all this year and of course it is always much more satisfactory to play for safety in financial affairs. I know, however, what feeling was aroused in commercial quarters by the postponement of their claim for a reduction of the emergency taxation in favour of the restoration of the pay cut and it behoves me, therefore, to look a little more closely into the possibilities. For this purpose it is necessary to look also at the year 1938-39."

I pause here, Sir, to invite the attention of the House to the fact, that by this vote, we are really asked to budget partially at least for 1938-39. It seems to be somewhat a strain on our powers to forecast the future, that we should be asked here and now to sit down and visualise for ourselves, on the testimony of the Honourable the Finance Member, what the financial position of the Federation and of the Provinces is going to be in 1938-39:

"There ought in that year to be no major alterations of expenditure."

May I ask, how does he know? Will he be here then?

The Honourable Sir James Grigg: I said "ought".

Mr. S. Satyamurti: What is the meaning of "ought not to be"? You expect there will not be.

The Honourable Sir James Grigg: There ought not to be.

Mr. S. Satyamurti: My Honourable friend is an Englishman, and I wish he consults some good Dictionary. "There ought not to be", in that sentence, means "I do not expect there will be in that year".

The Honourable Sir James Grigg: There is no justification for.

Mr. S. Satyamurti: Then, why did he not say so? Why did he not say, "There is no justification to have any major alterations of expenditure".

The Honourable Sir James Grigg: I maintain I said the same thing in much fewer words.

Mr. S. Satyamurti: How is he to judge what the Finance Member in 1938-39 is going to do? Is the Honourable Member going to be here then—I do not know his term of office? Will he then, in 1938-39, say that there ought to be in that year no major alteration of expenditure? Well, Sir, that is first of all his own opinion. Then he goes on:

"While we may hope that if our affairs continue to go well, there may be a further expansion of some Rs. 2 crores in revenue receipts."

[Mr. S. Satyamurti.]

You here see, Sir, a series of hypotheses. If we put any hypothetical question, the Government will not answer that, because it is a hypothetical question. If it comes to our vote, then a dozen hypotheses are laid down:

"If this calculation is justified,"

—another hypothesis,—

"then it would perhaps be legitimate,"

—you here see, Sir, there is subtlety on subtlety—

"to reduce taxation in 1936-37 by something like two crores if we can find a non-recurring balance of about the same amount to fill up the consequent deficit in 1937-38."

I accept this is jugglery with figures, but I do suggest, to ask the House in voting for the budget of 1936-37, to make a series of calculations and provide for contingencies which may or may not happen for the year 1938-39 ultimately is asking too much of this House. He goes on:

"Here then is the significance of the Rs. 1,97 lakhs remaining over from 1935-36. I propose to ask the House to transfer this balance to a Revenue Reserve Fund available to help out the finances of the first year of Provincial Autonomy and in this way I can, with a fairly clear conscience propose remissions of taxation in 1936-37 so long as they do not alienate revenue to a greater extent than about two crores a year."

I am asking my Honourable friend for some elucidation of the phrase "Revenue Reserve Fund". What does it mean? Does it mean whether this is a fund to meet possible deficits in expenditure, or does it mean a fund for the purpose of reducing taxation, or a fund for the purpose of preventing increase of taxation? What does it mean? Does it mean again a fund which will go to the relief of Federal taxation or Provincial taxation, or will it be divided between Federation and the Provinces, and if so, in what proportion? What is this fund for? I should like some definition. What is the revenue reserve fund for? I just put down some questions, and I am sure abler Members of this House will be able to put more questions as to what exactly the scope of this revenue reserve fund is. The Honourable Member says, this fund will be available to help out the finances of the first year of Provincial Autonomy. Whose finances? The Federation or the Provinces? In what proportion? Then, he says, that on this basis he can give remission of taxation only to the extent to which they do not alienate the revenue to a greater extent than about two crores of rupees a year. I submit that the House ought not to vote for this revenue reserve fund. I am not now talking politics. I am not concerned now with the Government of India Act, 1935. It is not before us, but I do ask the Honourable the Finance Member seriously one question, a question asked by the *Madras Mail*, a paper with which my Honourable friend over there, Mr. James, is familiar, a paper which is not an enemy of the Government, it is one of the friendly Press . . . .

Mr. F. E. James (Madras: European): Not our paper.

Mr. S. Satyamurti: When did you become the Government of India?

The Honourable Sir James Grigg: It dissembles its friendliness pretty well.

Mr. S. Satyamurti: It asked this question: "Who appointed Sir James Grigg as Deputy Providence to Provincial Autonomy?" 4 P.M. He is the Finance Member of the Government of India, and why should he bother his head about providing three years' needs from out of the revenue reserves in order to help out Provincial Autonomy? Today, the House has accepted some amendments to the Finance Bill. Of course, the third reading of the Finance Bill my Honourable friend would not move although it had been down on the agenda, even after the salt tax amendment had been carried, that the "Honourable Sir James Grigg will move that the Bill be passed"; yet he did not move it and when I asked him why, he would not give any reasons. Apart from the salt tax abolition which amounts to about eight crores, this House has carried some more amendments to the Finance Bill for reducing the postcards to two pice and certain other concessions, but all these concessions will not come to anything more than one crore. May I ask why this money should not be used to cover the deficit in the next year's revenue by accepting these amendments to the Finance Bill? Why should it not be done? Why should it be taken apart, and set aside as a revenue reserve fund? There is undoubtedly a demand from all sections of the community in the country for some relief or other of taxation. You have denied all that relief, at least partially in some cases. Having done that, you get a surplus of two crores which you will not spend in relief of taxation next year, but will keep up this taxation except to the extent to which you have reduced it by the surcharges of income-tax, one-third this year. You want to keep it for financing out Provincial Autonomy. It seems to me that it is not right and this House ought not to support it. And, if this vote goes against Government, it simply means, according to the orthodox finance expounded by the Finance Member, that this money will go to what is called the reduction or avoidance of debt. To that extent, it will result in a betterment next year of about 2 crores. If you put two crores more for the reduction and avoidance of debt this year than you would consider proper, it is perfectly possible for you next year to reduce it *pro tanto*. If in two years you want to put in 6 crores and this year you put in 5 crores, next year you may put in only 1 crore. Five and one are six, just as three and three are also six.

One last word and I have done. My Honourable friend, the Finance Member, towards the end of that speech, said:

"If I have erred, I think it is in departing too much from the strict canons of financial orthodoxy which I put forward last year, viz., that non-recurrent resources should not be devoted to recurrent demands."

Is he quite sure that these two crores, which he puts in the Revenue Reserve Fund for 1937-38, may not be a recurrent demand? Is it financial orthodoxy to earmark this for a possibly recurrent demand?

"The only justification for this departure is the fact that India's economic and political barometers are both rising. If they continue to rise, all may be well. If they do not, the risk will be proved unjustified. And perhaps I may end by saying that the economic barometer cannot rise if the political barometer falls and that the political barometer must fall if the political thermometer rises."

It is rising; it will rise still further if the Finance Member will accept no amendment to the Finance Bill from any side. And so, he will have his pound of flesh and will not accept anything else. It is because I feel that the realisation of these two crores will help the Finance Member to

[Mr. S. Satyamurti.]

accept some amendments to the Finance Bill and will give much needed relief to the taxpayer of one kind or another, that I ask all sections of this House to vote with me on this cut motion of mine on the principle that Government have no right to keep up emergency taxation, and to build up a surplus for a revenue reserve fund to come two years later, on insufficient and no reliable data.

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,97,00,000 in respect of 'Transfer to the Revenue Reserve Fund' be reduced to Re. 1."

Dr. P. N. Banerjea: Sir, I am sorry, I am unable to agree with my Honourable friend, Mr. Satyamurti, on this question. We have always blamed Government for their lack of foresight, and now that they come forward and begin to show some little foresight, we should not take any exception to it. I think the needs of the provinces are very great at the present moment. Many of the provinces are showing budget deficits, and when Provincial Autonomy is introduced, the first few years will be years of very great trial for them. It is, therefore, necessary that funds should be provided to the Provincial Governments during the first few years of their existence. The provinces are in charge of the nation-building departments,—sanitation, public health, education, industrial development, and agricultural improvement. If they are not able to make any headway with these departments, Provincial Autonomy is sure to fail. Sir, I wish that the Finance Member had been able to put a larger sum of money into this Revenue Reserve Fund; but small as it is, it will go at least some way towards solving the problem of provincial finance. It will help the deficit provinces to make their two ends meet, and it will also give those provinces which are not in deficit something with which to develop the nation-building departments under their control.

On these grounds, I oppose the amendment.

Sir Cowasji Jehangir: Sir, my Honourable friend, Mr. Satyamurti, referred to some of the points I raised in the very first discussion on the budget when I took exception to the Finance Member of the Government of India making forecasts of our revenues some years ahead of their betterment and upon the demands that may be made upon the Government of India in the future from more than one direction. I most respectfully pointed out that it was not a very safe thing to do and those forecasts will more likely than not be upset. And I did point out then that the surplus of the current year was being kept in reserve for a likely deficit, not in the next year, but in the year to come, and I thought that that was rather exceptional. Sir, if this amount is to be taken to a fund I would rather that the fund was called "relief of taxation fund", for, after all, although it is a non-recurrent surplus it did come out of the pockets of the taxpayers and should it not be returned to the pockets of the taxpayers in one form or another? Now, Sir, I do not agree with Mr. Satyamurti when he says that it is not the business of the Finance Member to try and provide for relief to the provinces. It is surely his business; it is the business of every one of us in this House who represent the provinces to see that the Government of India is in a position to give

greater and greater relief to the provinces. Why, ever since 1921, we have been engaged in the task of urging the Government of India to give relief to the provinces. Why did we contest the Meston settlement? Why did Bengal contest the Meston settlement? Why did Madras contest the Meston settlement? Because, we felt that we were victims of that settlement. The Government of India took more than their due, but we, in the provinces, did not get our due, and Sir Otto Niemeyer is now looking into that question. But I do object to any attempt to anticipate Sir Otto Niemeyer's report and to put down two crores of money for the year after next as a contribution from the Government of India to the provinces. I consider it may be too little; it is possible that the Honourable the Finance Member may not be able to satisfy the provinces with only two crores.

The Honourable Sir James Grigg: Very likely.

Sir Cowasji Jehangir: Then why put down these two crores in the Finance Member's budget speech? Why try and anticipate? We do not know what Sir Otto Niemeyer is going to report, we do not know how much money he will say you shall put down for the provinces and hand over to the provinces. You take two crores of money, which is surplus, from the current year and you put it aside to pay for a supposed deficit. I object to moneys raised from emergency taxation being set aside to pay supposed deficits of the future. It is a principle I object to, a principle which I challenged in my first speech on this budget, which raised the wrath of my Honourable friend, the Finance Member. I think it is wrong budgeting. We have paid this money into your coffers by emergency taxation and the Government of India have no business to make guesses into the future and put it aside in order to pay deficits that are to come. If the deficit was in the next year, I can understand his taking it and saying that he would put it in the next year's budget. He starts on two suppositions, first, that Burma is going to cost us so much for separation, and second, that Sir Otto Niemeyer is going to cost us two crores. On that basis I refuse to allow anything to go into a Reserve Fund. I am not against a Reserve Fund—call it a Relief of Taxation Fund. If my Honourable friend will change the name into Relief of Taxation Fund, I am prepared to allow him to keep it. Keep it aside and give us relief next year out of this money, but do not put it aside with the deliberate object of using it for payments to provinces or on the ground that the separation of Burma is going to cost us Rs. 2¾ crores. It is on principle that I argue. We have not succeeded in persuading the Government of India to return these two crores for relief of taxation immediately. We have pointed out other ways and means of paying for the cuts we have effected, leaving aside the cut on salt.

The Honourable Sir James Grigg: It is a bagatelle!

Sir Cowasji Jehangir: It is a bagatelle, because it is going to be certified. It is a big zero, the Honourable Member knows that the cut in the salt tax is a bagatelle. I do not mean to say that he should include the other cuts which were business cuts, real cuts. (Laughter.) We hope and expect him to carry those cuts into effect—the postcard and some reliefs costing Rs. 74,000 moved by one of my friends. Those were the only two really effective cuts. Therefore, Sir, we have pointed out ways

[Sir Cowasji Jehangir.]

and means. This amount is to be put aside for the relief of taxation because, as my Honourable friend, Mr. Satyamurti, pointed out, it came out of emergency taxation. We may then consider ways and means next year as to how the amount is to be returned to the pockets of the taxpayer. Will he change the name of the Fund into Relief of Taxation Fund? Perhaps we shall know where we stand, but to keep it aside for the purpose of paying for deficits or supposed deficits the year after next—not the next year—is not a principle I can agree to.

The Honourable Sir James Grigg: Sir, during the course of the speech of the Honourable Member who spoke last, I went through several transitions of thought. To start with, I did not think I understood what he was driving at, then I began to think I saw some rhyme or pattern in his oration, but at the end I am quite clear that I do not understand what he is driving at. Somewhere I seemed to see in Mr. Satyamurti's mind a similar confusion of thought, and I think he—if I may say so without offence—was a little less perspicacious than usual. He asked me a series of what struck me as rather rhetorical logic-chopping questions—as to whether this was a fund for extra expenditure or a fund for reduction of taxation or a fund for the avoidance of increased taxation. If you view the matter properly, those are all asking the same question in another form. It really is not a question of grant to the provincial budget or a relief of provincial taxation or a grant-in-aid for extra provincial expenditure, but simply a matter of central budgeting and of exercising some foresight as to the charges which have been placed upon it. Now, it is indubitably the case that Parliament has placed upon the Central Budget certain extra charges which are not exactly calculable, but of which it is necessary to make some estimate before you can conceive what the financial position in the immediately succeeding years is likely to be. The fact that one of those burdens placed upon the central budget by Parliament is grants to deficit provinces is irrelevant for this purpose. Another kind of burden is the extra cost to the central budget caused by the separation of Burma, and another the grants for the creation of new provinces. Here are these definite burdens which, though foreseeable, in fact are not foreseeable in exact amount and it would be the most grotesque folly not to attempt to make some appraisement of their amount. In the case of Burma, we now have something to go upon, and we have made a more or less reasonable estimate. In the case of Sir Otto Niemeyer's report, of course it is a guess. It is true that—again committing that horrible crime of exercising some foresight or forming some appraisement in my own mind or what I would recommend if I were in his position—I mention the figure of two crores of rupees. That seemed to be a terrible crime. The Honourable Baronet used an argument which I find pretty staggering. He said these two crores are not enough.

Sir Cowasji Jehangir: May not be enough.

The Honourable Sir James Grigg: The two crores that you have made provision for may not be enough, therefore do not make any provision at all! It is not a sound argument. But as I said in the budget speech—in spite of Mr. Satyamurti's little lecture on the English language—I maintain that I put the matter as clearly as I could in the budget speech—looking at the burdens which are likely to fall . . . .

(Interruption from Sir Cowasji Jehangir.)

The Honourable Sir James Grigg: May I make my speech without audible comment from the Honourable Member?

Sir Cowasji Jehangir: I beg your pardon.

The Honourable Sir James Grigg: Looking at the burdens—and appraising them at such magnitude as I could—which are certain to fall upon the central budget in the next few years, I came to the conclusion that if I could help out one particular year with a non-recurring amount of two crores we could see our way through the early years of provincial autonomy without the necessity of imposing any new taxation or re-imposing any taxation which has been taken off. If the position is much better than it appeared to me according to my calculations, quite obviously there will be an extra margin for reduction of taxation or for increased grants to provinces or for some other purpose; and to that extent, whether you call it a revenue reserve fund or relief of taxation fund or an extra expenditure fund, or a provincial grants fund, it is all the same thing, and the rose really does smell quite as sweet by whatever name you call it.

I say that looking ahead as best as I can, I arrive at the conclusion that with a single non-recurring sum of Rs. 2 crores we can see our way through succeeding years without re-imposing any taxation which has been taken off, and almost certainly without the necessity of imposing any fresh taxation.

Then, Mr. Satyamurti—I did not quite follow one of his arguments, because I did not hear him very well and the two parts of it seemed to be mutually inconsistent—said: "Why should any one predict? Let this lapse to debt avoidance and get over the deficit in the following year by raiding the sinking fund". Well, in actual financial fact, that is absolutely the same thing as we are now proposing: the only difference—and I maintain it is a considerable difference—that my method avoids a frontal raid on a sinking fund which is already too small. I do think that—and here I agree for once with the Honourable Member from Bombay in what he said in his speech the other day about the importance of preserving the credit of India in the face of the outside world—and I say that a frontal raid on the sinking fund even more than a hidden raid on it is a thing which should if possible be avoided; and I, therefore, prefer my own device of a revenue reserve fund to Mr. Satyamurti's device of an increased sinking fund in one year followed by a raid on it in the following year. But I do not believe from what he went on to say that this was really his plan. What he really said was "This 2 crores ought to be taken to reduce taxation in this year". Let us follow the result of that and see how much better off we are. Taxation will be reduced by an extra two crores this year by the use of this non-recurring two crores. There will then be a deficit of 4 crores next year, so that extra taxation to the extent of 4 crores will have to be reimposed next year, which means that taking the two years as a whole you are breaking even. The amount of taxation taken out of the country is approximately the same; but instead of being on an even keel, in one year you reduce taxation and next year you increase taxation by double the amount; and that is inescapable, given the premises. As I say, by exercising a little foresight, we can preserve an even keel and not have this jumping about which is bad for

[Sir James Grigg.]

everybody. In effect as far as I can understand their arguments, Mr. Satyamurti and Sir Cowasji Jehangir are at one in this matter. They were completely thrown over by the speaker on behalf of the Nationalist Party, and it is very agreeable to me to find myself in complete agreement with a member of the Nationalist Party. This argument appears to be this: do not let us exercise any foresight, who are you to imagine that you can make calculations ahead? You do what appears to be nearest your nose, and let some wiser providence—I hope I am not misquoting the Honourable Member opposite too much—let some wiser providence look after next year and the following years. That is all very well; but it is an invitation I do not propose to accept. The job of the Finance Member is to look ahead and to exercise some foresight; and that being so, I claim that the device that I presented for the judgment of the House is the best and safest means of doing that and the one most in the interests of Indian credit.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,97,00,000 in respect of 'Transfer to the Revenue Reserve Fund' be reduced to Re. 1."

The motion was negatived.

Inadequate Subvention to Orissa.

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

"That the demand for a supplementary grant . . . ."

The Honourable Sir James Grigg: May I rise to a point of order? Is this in order on this demand? The subvention to Orissa is found from the budget for 1936-37. This is a disposal of the surplus of 1935-36, and there seems to me to be very incomplete connection between the two.

Mr. President (The Honourable Sir Abdur Rahim): The matter has already been discussed. The Chair does not think it is in order:

Mr. B. Das: Then may I speak on the general motion?

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not see how the Honourable Member can discuss any question of policy.

Mr. B. Das: I merely want a slice out of this Rs. 1,97 lakhs for this year for Orissa.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has looked into it: it is a Revenue Reserve Fund, and the Honourable Member cannot take anything out of it.

Mr. B. Das: I would merely draw the attention of the House that a part of this sum should have gone to Orissa and a lesser sum should have gone to the Revenue Reserve Fund.

Mr. President (The Honourable Sir Abdur Rahim): No; it is out of order. The question is:

"That a supplementary sum not exceeding Rs. 1,97,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Transfer to the Revenue Reserve Fund'."

The motion was adopted.

Baluchistan.

The Honourable Sir James Grigg: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 40,67,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Baluchistan'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 40,67,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Baluchistan'."

Does the Honourable Member, Mr. Satyamurti, want to move his amendment?

Mr. S. Satyamurti: Yes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member wants to argue that this is much too large a sum?

Extravagance.

Mr. S. Satyamurti: Yes, that it has been extravagant expenditure. Sir, I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 40,67,000 in respect of 'Baluchistan' be reduced by Rs. 100."

It is printed wrongly 'to' Rs. 100.

It is a token cut really. The reference to it is found in page 3 of this small book, in which the details are given; and I am raising it merely to get some information on the items of expenditure mentioned in these books. You will find on page 3 the details of the expenditure are given. This is required to meet a portion of the voted expenditure involved, during the current year, in consequence of the earthquake in Baluchistan. The details are as follows: I want particularly information on two or three items in that statement—hutting, tentage, water supply and lighting—Rs. 15,41,000. It is a staggering sum, and I should like to know really if, during the earthquake and for the temporary relief of sufferers, they had to spend Rs. 15,41,000, and if so, for how many months, for how many people, and at what rate were these huts constructed, tents bought and water supply and lighting arranged. Then, Sir, we have got another item, Rs. 10,14,000. I should like to have some details about it.

[Mr. S. Satyamurti.]

Then, Sir, under Rural reconstruction, there is an item of Rs. 1,50,000. I want to know if any villages have been reconstructed, and what are the items covered by this phrase 'Rural reconstruction'?

Then, under (*m*), contribution to the Viceroy's Earthquake Relief Fund, Rs. 10,00,000. We have some information as to how this portion of the contribution was spent, but we should like to have some more light thrown on it.

Then, Sir, you will see a 'Note' below, which says:

"The non-voted expenditure amounts to about Rs. 1,00,000 including Rs. 7,000 in England. The Standing Finance Committee has agreed, *vide* Proceedings of the Meeting of the Standing Finance Committee, Vol. XV, No. 2, pages 80-82, paragraph 4."

Now, if you will kindly turn to the Standing Finance Committee proceedings, Vol. XV, No. 2, you will find, Sir, this item is dealt with in some detail. On page 80 of the proceedings of the meeting of the Standing Finance Committee, Vol. XV, No. 2, dated 1st February 1936, it is stated:

"The attention of the members of the Standing Finance Committee is invited to paragraphs 1-5 of the memorandum (printed at pages 2-10 of the Proceedings of the Standing Finance Committee, Vol. XV, No. 1), regarding the special expenditure necessary in consequence of the earthquake in Baluchistan, that was presented for their information on the 21st September, 1935."

Pausing there, I invite your attention to this Volume No. XV, No. 1, in which this Note is given. That 'Note' is a long one, and I do not propose to detain the House by reading it *in extenso*; but there are just one or two matters on which I should like to have some information. Paragraph 3 says:

"To this, the Government of India made a grant from public revenues of Rs. 10 lakhs. Large expenditure on the immediate provision of food, shelter, clothes and medical comforts had to be incurred at once, against the Fund, at the discretion of the local authorities."

I should like to know, Sir, if any estimate has been made of this expenditure.

Then in para. 4, it is stated:

"there are certain items of expenditure in connection with relief, the incidence of cost of which as between the Fund and the Government revenues has not been finally decided, *e.g.*, free passes by rail which were generously issued immediately after the disaster to enable refugees to proceed to other parts of India, where they had relatives who could temporarily support them, or where they had a prospect of employment. The Standing Finance Committee will be informed of the ultimate decision on such matters, should it involve directly or indirectly any expenditure from Government revenues in excess of the Rupees 10 lakhs the grant of which to the Fund is now brought to their notice."

In the next paragraph, the first sentence says:

"In regard to expenditure, directly chargeable to public revenues, accurate estimates are not yet available. A demand in the usual form will be presented later in the year."

I want information on both these points.

Then, I pass on, Sir, to paragraphs 8 and 9 in which Salvage operations are dealt with, and they refer to the actual work of street and house clearance which are estimated to cost about Rs. 2,20,000 during the current year. What are the details?

Then, in paragraph 12 relating to temporary accommodation, this is what is stated there:

"Arrangements are being made to construct a number of corrugated iron huts to house the civil establishments, labour, and persons proceeding to Quetta in connection with the recovery of their property. The winter will soon be on, when the use of tents will be out of the question in view of the intense cold. On the basis that some 350 huts would be needed, an estimate of 11 lakhs was originally arrived at, but it is believed that this number will be susceptible of considerable reduction, on detailed scrutiny."

Now, Sir, I want to know if there is any printer's devil there?

Sir Aubrey Metcalfe (Foreign Secretary): I have not got this book.

Mr. S. Satyamurti: It is referred to in the connected papers. You ought to have it. It is printed at page 4 of the proceedings of the meeting of the Standing Finance Committee, Vol. XV, No. 1, dated 21st September, 1935. I am reading from paragraph 12.

Now, Sir, I want to know if there is any printer's devil there. I am not an engineer, but to me the figure of 11 lakhs for constructing about 350 huts is somewhat staggering. I would like to know if it is a mistake, or if there is any explanation forthcoming. Further on, it is stated:

"In this connection Government has emphasised the necessity for careful regard to economy in the scale of accommodation allotted, but has ordered that, in the circumstances, accommodation should be given rent-free. The total cost of these huts, of the temporary accommodation, including tents (other than those supplied by the military) provided for the refugees immediately after the earthquake and of lighting arrangements during the current year is estimated at Rs. 15,08,350, of which Rs. 4,350 is recurring."

These are staggering figures, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Is it in the proceedings for the 1st February, 1936?

Mr. S. Satyamurti: No, Sir; it is in the proceedings of the Standing Finance Committee, Vol. XV, No. 1, dated 21st September, 1935.

Then, Sir, I go on to page 5 on which I find that the scale of salaries given to the various officers employed on the earthquake operations is on a high scale, and I should like to know if it was necessary to pay so much as all that.

Then, Sir, at page 6, under paragraphs 21 and 22, I should like to know whether the expenses for Posts and Telegraphs and Railways have been completed, and how much of it is cut down in this 400 lakhs, if anything, how much is it, or if nothing is provided, how it is proposed to provide for that.

[Mr. S. Satyamurti.]

Then, at page 7, it is stated:

"The next big task with which the military authorities were faced was the evacuation of survivors. 28,000 individuals were sent from Quetta during the first half of June including about 5,000 wives and children of Indian troops. The evacuation of European personnel presented a special problem. They were sent to Karachi and eventually a special ship was chartered to convey them to the United Kingdom. 750 persons were evacuated in this vessel. Over 400 passages were engaged for those who could not be given berths on the special ship. The total expenditure on the evacuation amounted to Rs. 17 lakhs."

Now, Sir, I should like to have some details of this, and I should also like to know whether it was right to incur such a large expenditure as 17 lakhs, on merely sending people, and whether it had the superior claim on relief funds as opposed to other and more important claims.

Then, Sir, at pages 9 and 10, an abstract of the total expenditure on this is given. It totals approximately Rs. 80 lakhs, and you will find at pages 9 and 10 the estimates are given. The hutting and tentage amounts to Rs. 15 lakhs, the same figure which was brought up later. At page 10, you have got two sets of figures right up to item No. 10, which is civil—Rural Relief Rs. 1,41,000, Posts and Telegraphs—hutting again—Rs 1,18,000, Railways—hutting again—Rs. 1,00,000. Under Military we have got, issue of blankets, clothing, camp accessories, Rs. 5 lakhs, supply of rations to civil population Rs. 6 lakhs, transportation charges Rs. 17 lakhs, deterioration of tentage Rs. 2,50,000, and temporary huts Rs. 10 lakhs, on the whole, making Rs. 80 lakhs. That was the estimate. This note was placed before the Standing Finance Committee on the 21st September, 1935.

Sir Aubrey Metcalfe: May I point out on a matter of information, that what the Honourable Member is now reading was only an estimate produced in September last? A great many of the items to which he has referred are non-voted items of military expenditure. The only amount which the House is now asked to pass is the supplementary demand which is contained in this later book, Rs. 40 lakhs. Of this Rs. 80 lakhs a good deal was non-voted and a great deal of it was defence expenditure, some of which has come out and some of which has increased, and I submit that it is not relevant to the present discussion.

Mr. S. Satyamurti: Sir, we are asked to vote for Rs. 40 lakhs, while they have spent or propose to spend about Rs. 80 lakhs. I have a right to comment on the fact that they spent on the whole Rs. 80 lakhs, though they are asking us to vote only Rs. 40 lakhs.

Sir Aubrey Metcalfe: That was the estimate prepared in September last when it was extraordinarily difficult to find out what would eventually be spent. It was merely put forward for the provisional information of the Standing Finance Committee. This demand which is now put forward is, again, to a large extent an estimate. We cannot be sure whether as much as that will be spent, but certainly nothing like Rs. 80 lakhs would be spent of voted money.

Mr. S. Satyamurti: My Honourable friend is no more relevant. I want to know exactly what is the total expenditure which has been incurred or is likely to be incurred before the end of this year under this head, if this supplementary demand is voted by this House, whether under voted or non-voted head. The estimate now asked for is Rs. 40 lakhs. The estimate is here, but I want to know from my Honourable friend if he could give me information as to what is the total amount of expenditure incurred under these various heads or likely to be incurred before the end of this year, whether under voted or non-voted heads.

Sir Cowasji Jehangir: You want what is actually incurred or the estimate for future expenditure. Not reconstruction.

Mr. S. Satyamurti: Whatever the various items are—so far as I can see, the items are salvage, tentage, hutting, transportation, sanitary charges, police and so on. They do not, as far as I can see from the figures given here, trench on reconstruction. They are mere temporary relief. That is the point on which I want information.

Sir Aubrey Metcalfe: Might I make one suggestion? It might help if the Honourable Member would put questions and allow me to answer them. It would be quite impossible for me in the course of my speech to answer this flood of questions.

Mr. President (The Honourable Sir Abdur Rahim): I think this may stand over till tomorrow. It will help both sides.

Mr. S. Satyamurti: I am quite ready to go on. If it will help the other side, then it can stand over.

Sir Aubrey Metcalfe: It is only with a desire to give all the information that I can. I have no stenographer here to take down the Honourable Member's speech and it is quite impossible for me to take down all these questions.

Mr. President (The Honourable Sir Abdur Rahim): If that will suit the Honourable Member.

Mr. S. Satyamurti: It is not a question of suiting me and him, I want to convey the thing to the House. This can go on again tomorrow. I am perfectly willing to stop here, and begin my speech again tomorrow. That will suit me. I shall finish the speech in five minutes, the Honourable Member can get a copy of the speech and may answer tomorrow.

Mr. President (The Honourable Sir Abdur Rahim): Very well.

Mr. S. Satyamurti: To resume, at page 80, of Vol. XV, No. 2, of the Standing Finance Committee's report, there is a concise statement of the proposal and the reasons therefor:

"The total expenditure involved during 1935-36 debitable to Civil estimates so far as is known at present, is Rs. 42,40,410, or Rs. 42,41,000 in round figures."

I want to know what is the expenditure debitable to the non-voted head, that is, the military head:

"By far the greater portion of this expenditure is non-recurrent . . . . It is not at present possible to say for how long the extra establishments employed in connection with the emergency will be required."

[Mr. S. Satyamurti.]

I submit the Honourable the Finance Member is less than fair to himself and to the House, to present a supplementary demand without caring to ascertain or without ascertaining and letting us know how long these extra staff are required. My Honourable friend comes here and says,—"I am exercising foresight for three years ahead", but he cannot look three months ahead, and tell us how long these extra establishments are required. Is it fair to say, I won't tell you how long these establishments are required? He won't exercise some foresight and tell us that, under this year's budget.

Sir Cowasji Jehangir: All those figures are in the next year's budget.

Mr. S. Satyamurti: At page 81 on this matter I want to draw your attention as also that of the House:

"Almost the whole of the expenditure has been incurred already in anticipation of approval."

Where does the House come in? We are asked to vote away 40 lakhs . . . .

Mr. President (The Honourable Sir Abdur Rahim): That does happen sometimes and a supplementary demand is permissible But whether in this case it is justified or not, is another matter.

Mr. S. Satyamurti: I do not want to raise a point of order. My point is the control of this House becomes illusory, if a supplementary demand is presented, and I am solemnly asked to vote for it, and I am told by the Honourable the Finance Member that almost the whole of the expenditure has been incurred, already in anticipation of approval.

Sir Aubrey Metcalfe: Can the House control an earthquake?

Mr. S. Satyamurti: But the House can control human beings dealing with earthquake effects and spending money as if it was somebody's private property and not the peoples' money. We cannot control earthquakes but can control men. I do want to suggest to my Honourable friend that he cannot play with the monies of this country, simply because he can come at the end of the year and say that the amount of the supplementary demand has been spent already. I do appeal to the House—I quite recognise that the rules do allow them to make this supplementary demand,—but the rules also provide that, if they had spent the money, they must come next year for an excess grant, but to pretend as if they want the consent of this House, although they had spent the money already, is, I submit, less than fair to this House:

"It will be of interest for the Committee to know in this connection that the expenditure on extra police and extra public health staff has been reduced from 2.10 lakhs and 1.41 lakhs respectively as originally estimated in September, 1935, to Rs. 1.81 lakhs and Rs. 1.20 lakhs respectively."

How did this happen?

Then, there is something about motor cars. Then I come to paragraph 8 in which various details are given. I am glad that my Honourable friend will give me full answers tomorrow. I particularly want the utmost possible details for the Rs. 15,08,350 on hutting, tentage, water supply and lighting, etc., for Rs. 6,23,940 on salvage operations and Rs. 1,41,000 on Rural reconstruction.

These are the various points which I want to raise in connection with this demand for earthquake expenditure. I do suggest that the money has been spent in a manner which could easily have been improved upon. The earthquake was a most unfortunate catastrophe, but surely, such catastrophes ought not to be taken advantage of to spend money in a spirit which shows a lack of responsibility. I personally think—I shall stand corrected if my Honourable friend gives me details—that to spend Rs. 15 lakhs on huts and tents is something which we humble folk cannot really understand. I do not want really to beat the thing more. I really ask these questions for information's sake. It seems to me that the Government ought not to take advantage of an earthquake in order to spend money, and then come and say: 'We cannot control earthquakes'. Earthquakes are unfortunate things, and when they come we ought to exercise the utmost possible vigilance in seeing that public monies are not wasted. I feel that, on the whole, we have no information as to the total commitments; we have no information of the total expenditure incurred or likely to be incurred under both voted and non-voted heads. We have no information as to the various detailed items of this expenditure. Above all, the expenditure has already been incurred. It, therefore, seems to me that the House is entitled to a full and frank statement from the Honourable the Foreign Secretary as to how the expenditure was incurred and to justify the same, and also to satisfy us that they could not have asked for the sanction of this House earlier, before actually incurring this expenditure. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 40,67,000 in respect of 'Baluchistan' be reduced by Rs. 100."

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Here is an item of expenditure of 1,50,000 for rural reconstruction. My Honourable friend, Mr. Satyamurti, has asked for some information in regard to the manner in which this money is proposed to be spent. Only recently we read in the papers that Government were thinking of constituting advisory committees in order to enable them to distribute help and assistance to the peasants who were very badly affected in the last earthquake. We have not had any information so far as to how Government propose to constitute these committees, how assistance is to be given to these peasants and how assistance has been given till now to those peasants who have been adversely affected by this earthquake. This one lakh and a half is to be spent on rural reconstruction. Is the meaning put upon it the same as that put upon it by Mr. Brayne, the Indian Socrates—keeping the houses and the villages clean, teaching the people how to be clean, how to bathe and keep their clothes clean or does it mean real rural reconstruction as we understand it. Are these peasants whose houses were destroyed, whose lands were spoiled and who sustained heavy losses going to be helped to start their life afresh and to get their houses constructed, to improve their lands and to carry on cultivation? I would like to have full details in regard to this particular expenditure of one lakh 50,000 rupees.

Sir Aubrey Metcalfe: If the Honourable Member really seeks information, I can give it at once. This lakh and fifty thousand has been spent entirely on the repair of *karezes* which were all destroyed and which are essential to the irrigation of agricultural land in Baluchistan. It has been spent.

Prof. N. G. Ranga: Therefore, it means that the peasants were not helped directly at all. Even when their houses were destroyed, they were not assisted.

An Honourable Member: You did not hear him properly.

Sir Aubrey Metcalfe: These *karezes* are irrigation channels which were all destroyed and are absolutely essential to agricultural operations in that part of the world. They have been repaired at a cost of one lakh and fifty thousand.

Dr. P. N. Banerjea: That is for the benefit of the villagers.

Prof. N. G. Ranga: We were given to understand in the Simla Session that considerable damage was incurred by the peasants as a result of the earthquake, and Government were thinking of spending some considerable sums in order to help them to recover from those damages. So, it is quite clear that these peasants were not helped in that direction at all. I would like to know whether Government propose at least from now on to do anything in order to help those peasants to rehabilitate themselves and to recover from the damages and the losses they have suffered from the earthquake.

Mr. N. V. Gadgil (Bombay Central Division: Non-Muhammadan Rural): As an instance of how money has been spent recklessly in connection with Quetta salvage and reconstruction, I wish to invite the attention of the House to what has been said on page 4 of the Proceedings of the meeting of the Standing Finance Committee of the 21st September, 1935:

"In connection with salvage operations and for the transport of personnel and material generally, a contract for motor transport has been entered into with the Bagai Motor Service Company for the hire of some 50 lorries, for a period of six months in the first instance. The Company is to receive about Rs. 31,500 per mensem for the hire and Government is to find its own petrol which is estimated to cost about Rs. 12,000 a month."

I have worked out the figures, and if Government had actually purchased all these lorries the sum would be certainly less than the total hire for the period. The monthly hire is Rs. 31,500 and the period is six months. If you work it out, each lorry costs Rs. 4,380, and if you were to deduct the pay of the driver, say, at Rs. 30 per month, it comes to Rs. 4,200. With that sum, I am sure, new lorries could have been purchased by the Government. At the time when the Finance Committee met, this was pointed out by me, and proof that the Government was conscious of the reckless character of the expenditure is to be found on page 81 of the Proceedings of the Standing Finance Committee held on the 1st February when this contract was renewed, the hire per month was reduced to Rs. 17,760 per mensem against the original figure of Rs. 31,500 per month. I am sure that any one who has had something to do with motor cars and lorries will say that a greater example of recklessness on the part of the Government cannot be found. This Quetta reconstruction is going to be another scandal, as large in magnitude as the Munition Board scandal or the Bombay Backbay Development scandal and the Mespot muddle.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 25th March, 1936.

LEGISLATIVE ASSEMBLY.

Wednesday, 25th March, 1936.

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

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 152 asked by Seth Govind Das on the 7th February, 1936.

INDIAN UNIVERSITIES AND RESEARCH INSTITUTES.

I.

Statement showing the Number and Names of Statutory Universities in British India and the amount of grants given to them during the last five years (1930—35).

Name of University.	Grants in paid in				
	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
	Rs. A. P.	Rs. A. P.	Rs.	Rs.	Rs. A. P.
1. Calcutta . .	6,21,099 0 0	5,66,639 0 0	5,10,256	4,72,764	4,28,113 4 0
2. Bombay . .	1,22,000 0 0	1,25,500 0 0	1,22,920	1,19,500	1,19,450 0 0
3. Madras . .	4,39,500 0 0	2,90,300 0 0	2,90,300	3,15,500	3,15,500 0 0
4. Punjab . .	3,52,874 8 0	2,90,669 14 9	2,19,410	2,19,210	2,37,950 0 0
5. Allahabad . .	7,32,021 0 0	6,43,966 0 0	6,02,374	6,84,683	6,79,738 0 0
6. Benares Hindu .	9,98,162 0 0	9,95,718 0 0	3,61,579	3,57,458	3,58,566 0 0
7. Patna . .	30,830 0 0	28,540 0 0	(a)24,780	21,205	21,208 5 0
8. Aligarh Muslim .	7,61,120 0 0	10,62,612 0 0	10,21,903	4,48,652	4,35,464 0 0
9. Rangoon . .	3,20,000 0 0	18,56,558 0 0	1,21,163	78,680	51,785 0 0
10. Lucknow . .	11,87,933 0 0	11,41,080 0 0	10,58,305	11,48,505	11,82,918 0 0
11. Dacca . .	9,69,883 0 0	6,32,976 0 0	5,87,606	5,88,856	5,96,159 0 0
12. Delhi . .	1,00,000 0 0	1,00,000 0 0	90,000	90,000	90,000 0 0
13. Nagpur . .	56,250 0 0	43,044 0 0	42,500	42,500	42,500 0 0
14. Andhra . .	36,05,419 0 0	1,38,000 0 0	1,38,000	1,50,000	1,50,000 0 0
15. Agra . .	55,720 0 0	61,970 0 0	58,009	73,206	77,025 0 0
16. Annamalai .	1,50,000 0 0	1,40,000 0 0	1,38,000	1,50,000	1,50,000 0 0
	1,05,02,811 8 0	81,17,572 14 9	53,87,105	49,60,719	49,36,376 9 0

N.B.—There are two universities situated in Indian States, *viz.*, Mysore University, Mysore, and Osmania University, Hyderabad.

(a) Out of this, a sum of Rs. 1,371 was refunded subsequently by the University during the year 1933-34.

II.

Statement showing the Number, Names, Expenditure, Income, etc. of Research Institutes maintained by the Government of India in 1934-35.

Serial No.	Name of Institute.	Maintenance expenditure.	Income.	No. of European officers and salaries drawn by them.	No. of Indian officers and salaries drawn by them.	No. of people trained	No. of people employed by Govt. after training.	Extent to which the institute has been successful.
		Rs.	Rs.					
1	Imperial Institute of Agricultural Research, Pusa.	5,88,400	30,500	4 (Rs. 66,000)	17 (Rs. 84,400)	22	18(a)	In the opinion of Government all these institutions have fulfilled the purposes for which they were established.
2	Imperial Institute of Animal Husbandry and Dairying, Bangalore, with its outstations and Physiological Chemist.	3,07,000	1,48,200	3 (Rs. 30,800)	2 (Rs. 19,500)	54	10(a)	
3	Imperial Cane Breeding Station, Coimbatore.	80,500	8,900	...	(Rs. 27,200)	1(b)	1(b)	
4	Imperial Institute of Veterinary Research, Muktesar.	5,13,361	1,69,319	5 (Rs. 48,449)	10 (Rs. 50,066)	16	All were in service at the time of of training	
5	Imperial Veterinary Serum Institute, Izatnagar.	1,82,337	4,09,851	1 (Rs. 6,954)	2 (Rs. 12,943)	Nil.	Nil.	
6	Forest Research Institute, Dehra Dun.	5,89,205	8,815	8(c) (Rs. 1,05,189)	21 (Rs. 1,48,856)	(d)	(d)	
7	Central Research Institute, Kasauli.	1,90,156	1,60,991	3 (Rs. 37,629)	3 (Rs. 26,966)	(e)	...	
8	All-India Institute of Hygiene and Public Health, Calcutta.	1,94,805	14,380	2 (Rs. 85,156)	6 (Rs. 54,672)	22	Not known	
	Total .	26,36,764	9,54,956	26 (Rs. 3,30,177)	64 (Rs. 4,24,603)	114 (f)	28(f)	

(a) Includes people employed by Indian States also.

(b) Included in the number of students trained at Pusa.

(c) Excludes the Inspector General of Forests and his salary as it is charged to General Direction (Headquarters office) but includes an Officer-in-charge, Timber Testing, from Canada, and his salary.

(d) The Forest Research Institute does not undertake the training of men for commercial life as part of its functions.

(e) This is not a training institute. Its functions are those of medical research and manufacture of prophylactic cholera, T. A. B. and Influenza vaccines and Antivenene, etc.

(f) The total omits the number shown against item 3 as this is included in the number shown against item 1 also.

Information promised in reply to unstarred questions Nos. 213, 214 and 215 asked by Mr. N. M. Joshi on the 26th February, 1936.

Rules regarding the Grant of Passes and Privilege Ticket Orders to the Great Indian Peninsula Railway Employees.

Question No. 21.—

(a) Yes.

(b) Yes, provided she is residing with and wholly dependent on the employee.

(c) No.

(d) No. Government see no reason why any concession should be allowed.

Inconveniences of Railway Staff at Kirkee.

Question No. 214.—

(a) Kirkee is a Cantonment. Government understand that residential quarters suitable for the subordinate staff are available close to the station as well as in the Bazaars about a mile from the station.

(b) Enquiries made indicate that certain articles are obtainable at cheaper rates at Kirkee but the prices of foodstuffs and other principal commodities are slightly higher in Kirkee than in Poona.

(c) Staff working at Kirkee who are not provided with railway quarters are at liberty to stay wherever they choose.

(d) Residential free passes are issued to employees in Bombay and Madras, but not to those in Calcutta. The latter are, however, given season tickets at one-third the rates applicable for the public.

(e) No. They are allowed at present season tickets at one-third the rates applicable for the public and Government are not prepared to extend them in the manner proposed as the existing concession cannot be considered to be illiberal.

Issue of Provision Passes to the Commercial Staff at Gulburga.

Question No. 215.—

(a) and (b) Yes.

(c) No.

(d) A provision pass issued by the Transportation Department available between Gulburga and Sholapur, is being used by both Transportation and Commercial staff at present.

Information promised in reply to starred questions Nos. 1025, 1026 and 1027 asked by Pandit Krishna Kant Malaviya on the 9th March, 1936.

Applicability of the Punjab Excise Act and Excise Rules to the Delhi Province.

Question No. 1025.—

(a), (b), (d) (e) and (f). Yes.

(c) Nearly, but not quite identical. Certain minor changes have been made in the Punjab rules having regard to local circumstances.

Grant of Licences for vending Foreign Liquor in Delhi.

Question No. 1026.—

(a) The Chief Commissioner has granted licences to the firms mentioned for the supply, storage and sale of liquor but not for manufacture. The firms noted at (6) and (7), however, hold L-2 licences only.

(b) and (c). Yes.

(d) The matter has been thoroughly gone into but since the conditions under which various classes of licences are governed are different, it is not considered possible to adopt a uniform basis for the grant thereof.

GRANT OF LICENCES FOR VENDING FOREIGN LIQUOR IN DELHI.

Question No. 1027.—

(a), (b) and (d). Yes.

(c) A licence in form L-2 *may not* authorise consumption on the premises.

(e) (i) A licence in form L-2 is granted to a firm or person of approved respectability and of good social standing in a civil station or cantonment or in any other place where there is a demand for foreign liquor of a superior quality, and an L-10 licence is sold by public auction to the highest bidder and is meant for the retail vend of foreign liquor in a bazar to the general public.

(ii) A civil station or cantonment is a place usually inhabited by Indians of high social standing or by Europeans. The bazar is a locality where the general public transact their business and reside.

(iii) Some civil stations or cantonments contain bazars within their boundaries.

(iv) Usually.

(v) The various classes of licences are governed by different rules, and different licences are defined in the rules as suitable for different localities.

(vi) Yes, under rule 17 of the Rules promulgated with the Chief Commissioner's notification No. 8058-Commerce, dated 3rd October, 1935.

(vii) The question is not clear. There is not necessarily any distinction in regard to shops within municipal boundaries or bazars. There are, however, distinctions between the conditions under which various classes of licences are governed since some classes of licences are intended to govern the sale of liquors of superior quality to consumers belonging to the upper class.

(f) Yes.

(i) and (ii). In Delhi L-10 shops compete with country spirit shops by selling cheap brands of foreign liquor at a price nearly equivalent to that charged for the sale of country spirit. If L-2 licences are granted to these shops it will strengthen their position and they would be able to undersell country spirit shops, which would cause heavy loss to excise revenue.

(iii) No. Licensees holding licences in form L-2 are persons of approved respectability who deal largely with members of the upper classes, and consequently maintain larger establishments for running their shops. The expenses of L-10 licensees in running their shops is very small since they are not required to keep a big business and large establishment, and they can usually compete with country liquor shops by selling cheap brands of foreign liquor at low prices. The conditions therefore of L-10 and L-2 licenses are very different.

Information promised in reply to unstarred question No. 992 asked by Mr. Amarendra Nath Chattopadhyaya on the 9th March, 1936.

PROVISION OF GARAGES FOR OFFICERS ON THE EASTERN BENGAL RAILWAY.

The Agent, Eastern Bengal Railway's reply, which has since been received, is as follows :

(a) Yes.

(b) No.

(c) Garage accommodation is provided by other Government Departments and Commercial firms in Calcutta for the use of their employees free of charge. It is not proposed to depart from the general practice in the case of Railway Officers.

Information promised in reply to a supplementary question asked by Mr. J. Ramsay Scott, to Bhai Parma Nand's starred question No. 1293 answered on the 17th March, 1936.

SALT INDENTING RULES FOR KHEWRA.

NORTHERN INDIA SALT REVENUE DEPARTMENT.

NOTICE.

Delhi, the 10th September, 1935.

No. 309-Gl./32.—In modification of Notice No. 178-Cr./27, dated the 23rd August, 1927, and subject to the published rules relating to the various sources, as modified from time to time, regulating the issue of salt, the Commissioner, Northern India Salt Revenue, publishes the following revised rules regulating the receipt of revenue for, and the issue and delivery, on behalf of Government, of salt (other than salt issued to *farodis, banjaras* and to certain Darbars under treaty) from the Rajputana sources of the Sambhar Lake, Didwana and Pachbadra and the Punjab sources of Khewra, Warcha and Kalabagh. In these rules the term 'indent' shall be taken to mean an indent in the prescribed form (Form No. 49).

1. Indent forms are procurable free of charge at all places authorised to receive salt revenue. The indent portion shall be filled in, in duplicate, by the indentor and shall contain full and accurate particulars on all matters in regard to which information is required therein, including, in the case of indents for salt from the sources of the Sambhar Lake, Pachbadra, Khewra or Warcha, the route by which the salt is to be despatched, if not by the cheapest route.

2. Indents for salt will be received only at the treasuries and post offices especially authorised in this behalf by the Commissioner, Northern India Salt Revenue, and set out in the lists attached (Appendices I and II) in respect of the source or sources named against each and no indent from miners shall be accepted.

3. The receipt of salt revenue in a treasury or post office shall not be deemed to constitute a contract to supply salt. All indents are subject to acceptance by the Commissioner, Northern India Salt Revenue, who may at any time refuse to accept a deposit of revenue and order its refund.

No indents will be accepted for destinations declared by a railway to be closed to salt traffic and if accepted by mistake shall have no effect.

4. Indents in respect of salt from the Sambhar Lake sources, Pachbadra, Khewra and Warcha shall be accepted only for salt to be loaded and despatched by the Department and in respect of salt from Didwana and Kalabagh only for salt to be removed from the storeyard by the indentor himself or his authorised agent.

5. Indents on Khewra for all broadgauge destinations shall be accepted for salt in bulk (unbagged) only. Provided always that for Jammu and Kashmir State they may be accepted either for bagged or unbagged salt as the indentor may desire and for all other destinations (*i.e.*, other than Jammu or Kashmir and destinations on the broadgauge) for bagged salt only. Indents on Warcha shall be accepted for broadgauge destinations only and for salt in bulk only. Indents on Sambhar and Pachbadra shall be accepted for bagged salt only.

6. For the despatch of Sambhar and Pachbadra salt bags shall be supplied by the indentor who in place of pre-paying the cost of bags shall enter in the space provided for this purpose in the form of indent the name of a person through whom he will arrange for their delivery, marking and filling at such place and on such date and by such hour as may be notified to such person by the Officer in charge of the source. Indentors may make similar arrangements for the supply of bags at Khewra or, in the alternative, may obtain bags from the Department by pre-payment at the time of indenting.

The number of bags required for a wagon-load of Sambhar salt is 118 and for Pachabdra salt it is 107 or 156; for a wagon-load of Khewra salt it is 275.

Except as prescribed in this rule no bags shall be accepted by the Department for indentors' consignments; Provided always that in the case of military and other Government indents or indents by Darbars for treaty salt for which the indenting authority desires to supply bags, the bags of such authority, if suitable, may be accepted and utilised for the clearance of the consignment.

7. When a person nominated under Rule 6 for the supply of bags locally, after being informed of the place, date and hour for the delivery of the bags, fails to deliver them, the consignment may be bagged in bags supplied by the Department and despatched value payable for the cost of the bags used or the Commissioner may direct that the indent be cancelled and the revenue paid on account of it refunded. If there is any shortage in the number of bags received from a local agent or any are rejected as unserviceable [as to which the decision of the General Manager (Rajputana Salt Sources), the Administrative Officer (Khewra) and the Superintendent (Pachbadra) shall be final in regard to the sources under their respective control] and same are not immediately made good or replaced by the nominee, the same may be made good by the Commissioner from his departmental stock of bags in such numbers as may be necessary, and the consignment shall in that case be sent value payable for the price of the departmental bags used or the Commissioner may direct that the indent be cancelled in toto or to the extent that proper bags were short delivered and the revenue paid on account of the indent concerned shall be refunded in whole or in part as the case may be.

Bags rejected as unserviceable which are not removed by the presenter within one month from the date of the despatch of the consignment for which they were offered shall become the property of the Northern India Salt Revenue Department and meanwhile be at the risk of the indentor.

When the cost of departmental bags has been prepaid by the indentor and for any reason it is necessary to use bags in excess of the number provided, the cost of the extra bags used shall be recovered by despatch of the consignment value payable for the amount.

8. An indentor shall, at the time of presenting his indent, pay the charges specified in Rule 11, provided that when the aforesaid charges are paid into a post office a fee of two annas on each hundred rupees of the amount thereof (subject to a minimum fee of ten annas in respect of each indent) shall be paid at the same time.

9. No indent shall be filled in for a less quantity of salt than one wagon load; all indents shall be in units of wagon-loads; and not more than five wagon-loads shall be indented for on a single indent form. A wagon load at Sambhar is 295 maunds and at Didwana and Pachbadra it is 267½ or 390 maunds at Khewra, Warcha and Kalabagh it is 550 maunds.

10. Indents are non-transferable, and in the case of indents on the Sambhar Lake, Pachbadra, Khewra and Warcha no change of destination or other details of consignment shall be permissible after an indent has been received in the salt source except with the consent and under conditions imposed by the Commissioner, Northern India Salt Revenue, or by an officer empowered by him in this behalf.

Applications for change of destination or other details of a consignment may, in such circumstances as may be specified, be accepted from an authorised agent, but no person shall be recognised as an authorised agent of any trader or firm whose name has not been registered as such at Sambhar with the General Manager, at Khewra with the Administrative Officer and at Pachbadra, Gudha, Nawa, Warcha, Kalabagh and Didwana with the Superintendent in charge of issues, by the trader or firm concerned.

11. *For Sambhar Lake, Pachbadra, Khewra and Warcha supplies.*- The charges referred to in Rule 8 are the duty on and price of the salt at the rates respectively fixed and in force for the day when payment is made as aforesaid together with all charges made in connection with weighing, loading and despatching the salt, and in cases in which pre-payment of the cost of bags is permitted by these rules the cost of the bags required at such rates as may be fixed by the Commissioner, Northern India Salt Revenue, from time to time. *For Didwana and Kalabagh Supplies* the charges referred to in Rule 8 are the duty on and the price of the salt at the rates respectively fixed and in force for the day when payment is made as aforesaid.

12. If, subsequent to the date of payment and prior to the despatch of the salt to the consignee any alteration in the rates of duty or price or other charges specified in Rule 11 shall come into force, the duty, price and other charges in respect of such salt shall become payable at the rate so altered. The amount, if any, that may become payable in consequence of such alteration, in excess of the amount already paid shall be paid by the applicant prior to the despatch of the salt in the same manner as hereinbefore prescribed for payments hereinbefore specified or otherwise as may be prescribed by rule from time to time: provided that excess payment required on account of the cost of bags only may be recovered by the despatch of the salt to the consignee value payable for the amount so due. If payment is made into a post office a fee at the rate and subject to the minimum prescribed in Rule 8 shall be paid at the same time. The amount, if any, which may have been paid by the applicant in excess of the payment due under the altered rates shall be refunded to him.

When owing to an enhancement of duty, price or other charges, an extra payment has under the rules become due on any indent and the amount so due has not been deposited by the indentor within a fortnight from the date on which the enhancement came into force, the indent shall be cancelled and the revenue paid in respect thereof refunded to the depositor less any expenses the Commissioner has been put to. Depositors who deposit the enhanced duty, price or other charges on any indent within the period specified above will have their "authorities" cleared as far as possible in the serial order originally allotted to them as far as practicable.

13. On payment of salt revenue the officer receiving the money shall give the person tendering it a receipt specifying the amount of revenue and other authorised charges deposited and, in the case of a treasury, the number and date of the treasury receipt, or, in the case of a post-office, the number and date of the indent and the name of the source in regard to which the revenue was deposited. Where payment has been made in a treasury, the Treasury Officer shall, without delay and by the same day's post, if possible, despatch in the case of the Sambhar Lake to the General Manager in the case of Khewra to the Administrative Officer, or in the case of Pachbadra, Didwana, Warcha and Kalabagh to the Superintendent in charge, in a registered cover, foils 2 and 3 of the prescribed combined form of indent and receipt duly completed, together with an advice of the day's receipts of salt revenue as also of any payments made and accepted under Rule 12. Where payment has been made into a post office the receiving officer shall dispose of the indent in the manner prescribed in the rules of the post-offices.

Provided that in the case of a payment into a treasury of salt revenue by cheque under the provisions of the Resolution of the Government of India in the Finance Department, No. 26-A, dated the 13th January, 1920, the treasury receipt portion of the combined receipt and indent form shall not be completed in the treasury until the cheque has been cleared and the final receipt delivered to the depositor: thereafter the indent shall be forwarded to the salt source in the ordinary way. Provided always that Government shall not be responsible for any delay that may occur in such forwarding.

14. The General Manager at Sambhar, the Administrative Officer at Khewra, and the Superintendent in charge at Pachbadra, Didwana, Warcha and Kalabagh shall compare the receipt accompanying and indent with the advice from the receiving officer and shall satisfy himself that it is correct and in order and that all charges due under Rules 11 and 12 have been paid, and on the acceptance of indents shall proceed as follows:—

As regards Supplies of the Sambhar Lake, Pachbadra, Khewra and Warcha Sources.

The Circle Officer shall despatch the salt, freight unpaid, to the consignee, and shall deliver or send by post the railway receipt to the consignee or other person specified in the indent or if such person is not either the indentor himself or his authorised agent may deliver or send it by post to such indentor or agent on receipt from either of them of a written request for such delivery.

As regards Supplies from the Didwana and Kalabagh Sources.

The Circle Officer shall notify to the indentor or his agent the date on which his indent will come on for clearance. If the indentor or his agent fails to remove his salt on the date so notified his indent shall be liable to be cancelled and the revenue paid in respect of it to be refunded. If an indentor, without sufficient cause, fails to clear the salt allotted to him, he shall be liable to be debarred from indenting for such period as the Commissioner may decide.

On the completion of the above proceedings the General Manager at Sambhar or the Administrative Officer at Khewra shall cause to be refunded any excess payment due under Rule 12.

15. The clearance of indents shall be subject to such orders as the Commissioner may pass from time to time in regard to priority of issue.

Every effort is made to expedite the clearance of indents, but no period can be fixed within which an indent will be cleared and no liability shall attach to Government for delay in the clearance of any indent.

16. Indentors must accept salt as issued but salt will be issued as uniform in quality as possible from such stocks as the Officer in charge may from time to time direct, and at the Sambhar Lake, Pachbadra, Khewra and Warcha sources, no indentor or indentor's agent shall be admitted to any depot or filling platform, unless the Commissioner so permits and then only at such time and under such conditions as the Commissioner may prescribe, or be allowed in any way to interfere with the issue of salt.

At the Salt Range Sources all salt is issued as received from the mine after removal of visible impurities. The Department cannot guarantee the size and colour of the salt issued.

17. Weighment and clearance may be suspended by order of the Officer in charge of issues when the weather at the source is unfavourable, and may be similarly suspended at the request of an indentor on his satisfying the Officer in charge that the weather conditions at the destination of the consignment are such as to render its immediate despatch inadvisable. For damp salt at the Rajputna Salt Sources such abatement for dryage not exceeding 2½ per cent. shall be made as the Commissioner may allow. The General Manager may, in anticipation of formal approval by the Commissioner, sanction within the prescribed limits such dryage as he considers necessary. Every order sanctioning abatement shall specify the date from which it shall be made and the allowance shall be made in the test weighments of all consignments cleared from that date. An order sanctioning any abatement shall hold good until subsequent orders are issued increasing, lessening or wholly cancelling the abatement.

18. For consignments despatched by rail by the Department in regard to which the Railway may at any time require the execution by the sender of a risk note in Form A, such risk note will be signed by the despatching officer of the Department; but neither in this nor in any other case does the Salt Department accept any liability whatsoever for any loss, damage, deterioration, leakage, or wastage of the salt in transit. No consignment will be despatched at owner's risk for which the execution of a risk note in Form B is required unless the indentor or his authorised agent has requested in writing either by letter or on the indent form that his salt should be so booked. Government's responsibility ceases on the delivery of a consignment to the Railway and the railway receipt shall be a sufficient release for the quantity of salt consigned.

Without prejudice to the above the Commissioner will consider complaints as regards consignments but no such representations regarding any consignment of salt shall receive attention unless made within seven days of its arrival at destination.

19 Any indent not complying with the conditions prescribed in these rules shall be liable, at any time, to rejection and in the event of such rejection the revenue deposited in respect of the indent shall be refunded to the depositor.

20. If any dispute arises as to the meaning or effect of these presents or anything relating thereto the same shall be referred to the decision of the Central Board of Revenue whose decision shall be final and binding on the parties.

APPENDIX I.

Treasuries and Sub-Treasuries authorised to receive revenue for salt from the Punjab sources together with the source in respect of which each is authorised.

HEADQUARTERS TREASURIES.

Treasury.	Source.
North-West Frontier Province—	
Peshawar	Khewra and Kalabag.
Dera Ismail Khan	,, ,, ,,
Hazara	Khewra,
Bannu	Kalabagh.
Punjab—	
All District headquarters treasuries	Khewra, Warcha and Kalabagh.
Delhi—	
Delhi	Khewra. Warcha and Kalabagh.

HEADQUARTERS TREASURIES.

Treasury.	Source.
United Provinces—	
All district headquarters treasuries	Khewra.
Bihar—	
All district headquarters treasuries	Khewra.
Kashmir—	
Srinagar	Khewra.
Jammu	,,
Sind—	
Sukkur	Khewra, Warcha and Kalabagh.
Baluchistan—	
Quetta	Khewra, Warcha and Kalabagh.
Rajputana—	
Sambhar	Khewra.
Central Provinces—	
Jubbulpore	Khewra.
Bengal—	
Calcutta (Customs)	Khewra.
Bombay Presidency—Bombay—	
Bombay (Chief Account Officer of Custom, Salt and Opium)	Khewra.

SUB-TREASURIES.

United Provinces—	
Partabgarh	Khewra.
Fatehpur	,,
Unao	,,
Rai Bareily	,,
Jaunpur	,,
Shahjehanpur	,,
Pilibhit	,,
Muzaffarnagar	,,
Punjab—	
Pind Dadan Khan	Khewra, Warcha and Kalabagh.
Khushab	,, ,, ,, ,,
Talagang	Kalabagh.
Kasur	Khewra.
Bihar—	
Sitamarhi	Khewra.

The following treasuries are authorised to receive salt revenue on military indents only :—

Karachi	Khewra.
Poona	,,
Mhow	,,
Kohat	,,
Hyderabad (Deccan)	,,

APPENDIX II.

Treasuries, Sub-Treasuries and Post-Offices authorised to receive revenue for salt from the Rajputana Sources of Sambhar, Pachbadra and Didwana with source in respect of which each is authorised.

HEADQUARTERS TREASURIES.

Treasury.	Source.
Punjab—	
Hissar	Sambhar and Didwana.
Rohtak	,, ,, ,,
Gurgaon	,, ,, ,,
Ambala	,, ,, ,,
Lahore	,, ,, ,,
Ludhiana	Sambhar.

HEADQUARTERS TREASURIES—contd.

Treasury.	Source.
Delhi—	
Delhi	Sambhar and Didwana.
United Provinces—	
All district headquarters treasuries	Sambhar and Pachbadra.
Bihar—	
All district headquarters treasuries	Sambhar and Pachbadra.
Central Provinces—	
Saugor	Sambhar and Pachbadra.
Damoh	" " "
Jubbulpore	" " "
Narsinghpur	" " "
Hoshangabad	" " "
Nagpur	" " "
Bilaspur	" " "
Rajputana—	
Ajmer	Sambhar, Pachbadra and Didwana.
Sambhar	" " "
Central India—	
Indore	Sambhar and Pachbadra.
Neemuch	" " "
Nowgong	" " "
Schore	" " "
Bengal—	
Calcutta	Sambhar and Pachbadra.
Bombay Presidency—	
Bombay	Sambhar and Pachbadra.

SUB-TREASURIES.

United Provinces—	
Lalitpur	Sambhar and Pachbadra.
Kasganj	" " "
Haldwani	" " "
Partabgarh	" " "
Fatehpur	" " "
Unao	" " "
Rai Bareli	" " "
Jaunpore	" " "
Shahjehanpur	" " "
Pilibhit	" " "
Muzaffarnagar	" " "

The following treasuries are authorised to receive revenue for salt from the Sambhar and Pachbadra sources on military indents only :—

Karachi.	Peshwar.
Poona.	Dera Ismail Khan.
Quetta.	Kohat.
Mhow.	Rawalpindi.

POST OFFICES.

H.—Denotes a head post office : all others are sub-post offices.

Rajputana—				
Alwar			Alwar City	Sambhar and Pachbadra.
Bharatpur			Bharatpur City	" " "
Bikaner		H.	Bikaner	Sambhar, Pachbadra and Didwana.
Dholpur			Dholpur	" " "
Jaipur			Jaipur City	Sambhar and Pachbadra.
Jhalawar			Jhalrapatan	" " "
Karauli			Karauli	" " "
Kotah		H.	Kotah	" " "
			Baran	" " "

POST OFFICES—*contd.*

Rajputana—*contd.*				
Mewar		H.	Udaipur	Sambhar and Pachbadra.
			Shahpur-Mewar	" " "
			Chitorgarh	" " "
Tonk			Tonk Raj	" " "
Sirohi			Abu Road	" " "
Jodhpur		H.	Jodhpur	" " "
Central India—				
Bhopal		H.	Bhopal	" " "
Dewas			Alote	" " "
Gwalior			Gwalior R. S.	" " "
Jaora			Jaora	" " "
Maihar			Maihar	" " "
Rajgarh			Biaora	" " "
Rewa			Satna	" " "
Ratlam			Ratlam	" " "
Datia			Datia	" " "

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

Amendment of Section 51, etc.

PRESENTATION OF THE REPORT OF SELECT COMMITTEE.

The Honourable Sir Henry Craik (Home Member): Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1908, for certain purposes (*Amendment of section 51, etc.*).

THE INDIAN FINANCE BILL—*contd.*

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

Mr. President (The Honourable Sir Abdur Rahim): With reference to the first item on the List of Business today, namely, further consideration of the Finance Bill, I have received a Message from His Excellency the Governor General. The Message is as follows:

"In pursuance of the provisions of sub section (1) of section 67-B of the Government of India Act, I, Freeman, Earl of Willingdon, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax in the form hereto annexed.

(Sd.) WILLINGDON,
Viceroy and Governor General.

NEW DELHI,
The 25th March, 1936.

The recommendation is:

"After careful consideration of the amendments adopted by the Legislative Assembly in the Finance Bill, I have reached the conclusion that I must use my special powers for the purpose of securing the continuance, during the forthcoming year, of the salt tax and of the charge for postcards at the rates proposed in the Bill as introduced. The recommendation which I have made to the Legislative Assembly gives effect to this conclusion.

(Sd.) WILLINGDON,
Viceroy and Governor General.

NEW DELHI,
The 25th March, 1936.

The Honourable Sir James Grigg (Finance Member): May I hand in, Sir, the amendments which are necessary to bring the Bill into the recommended form? Copies are available for immediate distribution, and I should like to ask your directions as to when I may move the amendments. Government would prefer the amendments to be taken into consideration at once if that should meet the desire of the House, and, in a good many ways, that is the most convenient course, but, Sir, in that matter I am in the hands of the House.

In order, Sir, to make the story complete, may I lay on the table a Declaration by the Governor General regarding certain demands which were refused by the Assembly. The Declaration is as follows:

"In pursuance of section 67-A (7) of the Government of India Act, the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities :

Demand.	Amount.
	Rs.
28—Executive Council	1,48,999
39—Defence Department	4,24,999
79 -Baluchistan	27,69,100

(Sd.) J. C. NIXON,
Secretary to the Government of India."

NEW DELHI,
The 25th March, 1936.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): May I know what are the amendments, which the Honourable Member wants to move?

The Honourable Sir James Grigg: (1) To restore the salt duty, and (2) to restore the postcard rate.

Mr. President (The Honourable Sir Abdur Rahim): As regards the point whether these amendments can be dealt with by the House today, the Chair would be prepared to waive any objection on the score of time (as two days' notice is required), provided that the general desire of the House is that these amendments may be taken up today. The Chair takes it, at the end of the Supplementary Demands. Are the Supplementary Demands likely to be finished today?

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): Yes, Sir. Having consulted my friends, I think it is quite possible; and I think, having regard to the business for the next two or three days, it would be proper that the reconsideration of the Finance Bill should be taken up as soon as the Supplementary Demands for Grants are finished, and we expect them to be over by half past three.

Mr. President (The Honourable Sir Abdur Rahim): But there is another motion in the name of the Honourable Member, Pandit Govind Ballabh Pant, after the Supplementary Demands, in connection with the Report of the Committee of the Assembly on the recommendations of the Indian Delimitation Committee?

Mr. Bhulabhai J. Desai: We agree that that can wait, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Very well.

DEMANDS FOR SUPPLEMENTARY GRANTS—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume discussion on the Supplementary Demand in respect of Quetta (Baluchistan).

Sir Aubrey Metcalfe (Foreign Secretary): Sir, the Honourable the Mover, in his speech of yesterday suggested that the Government of India and the local officers had taken advantage of the earthquake to spend Government money in a reckless and improvident way, in advance of proper sanction, and without due care and forethought. This picture is so grotesquely inaccurate that, before I attempt to deal with the particular questions which the Mover brought forward, I will endeavour to place before the House a brief general account of the situation with which the Government and the local officers were faced and of the steps which they considered necessary to deal with it.

Within the space of a few moments, Sir, an entire city had been wiped out, with very heavy casualties, and with a loss and destruction of all the ordinary services, such as lighting, water, shelter and all the other things which go to make up the life of a city. The survivors, who were in many cases severely wounded and badly injured, were devoid of food, clothing, shelter, water or other necessaries of life, and all of these had to be improvised at a moment's notice if any lives were to be saved. Full details as to the work done by the military and other authorities on this occasion are available in this book, which was published last September, to which I would invite the attention of Honourable Members if they have not already read it. I need not here go into details on the subject but I would ask the House to realize that at a moment of that kind, all the resources of Government had to be thrown into the scale and it was only the providential fact that large reserves of military stores and material were available at Quetta and were undamaged by the earthquake which enabled so many lives to be saved. Had either the local authorities stopped to consider audit rules and to wait for instructions from higher authority, or had the Government of India themselves required economy to be exercised, it is almost certain that nearly all the survivors would have been dead, and, in that case, I submit that a scandal would have arisen which would have been far in excess of any scandal which may be caused, as the Honourable Member seems to suggest, by some unnecessary expenditure; and, I think, if the Government of India had acted in this way, they would have earned not only the reprobation of the entire civilized world but also bitter criticisms from my Honourable friend opposite. What the Government actually did was to appoint a special officer immediately belonging to the Finance Department to co-ordinate and supervise all the relief work in the Punjab, Sind and also at Quetta and generally to supervise the operations which were going on there on behalf of the Government of India. They also appointed a senior officer of the Political Department to co-ordinate the work on the spot and to remain there.

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They further appointed a Claims Commissioner to assist particularly the work of examining claims for property which had been lost in the earthquake. Comparatively little expenditure was involved to the Government of India by these measures as the Relief Commissioner continued to do his ordinary work, so far as he was able to do so, and his ordinary work was that of a Military Adviser in the Finance Department and Col. Parsons, the senior officer who was sent to take charge of the operations was withdrawn from his post as Resident in Waziristan which post remained unfilled during the period of deputation. The only additional cost at the time to the Government of India was the Claims Commissioner and his staff which required to be sent there and one civilian who was appointed at headquarters with the rank of a Deputy Secretary, but he only actually functioned for 2½ months and the post was then done away with. His job was to deal with the Secretariat work which required to be done during Mr. Staig's absence on tour. There was also a very small clerical staff the details of which are given in the memorandum and that clerical staff is still in existence. But there is no other officer at present in the Government of India who is specially paid or in any way specially recruited for the work arising out of the Quetta earthquake. Col. Parsons, the officer who was sent there to co-ordinate the effort on the spot only remained until September and was then withdrawn leaving only the Claims Commissioner to deal with the situation. It was found in December that the salvage work was not going on at all satisfactorily; the claims work was being done, but a special officer was required to supervise the salvage work. Later on, I shall tell you, Sir, the results which have accrued from the appointment of that officer. I may mention here that all the work that has been done, since September or October, has been done in consultation with the Special Committee containing at least three Members of the Assembly who were appointed at the wish of the Assembly, and I understand that all the work that has gone on since then has been done with their entire approval. The present position as regards the special staff is this. The Assistant Claims Commissioners have now ceased to function and the Claims Commissioner himself has also been withdrawn and he has taken another post at Quetta which is on the regular cadre. Therefore, for a short time, we have retained the senior officer in general charge, but it is hoped to withdraw him before very long and there will be one Assistant or rather an Additional Political Agent who will be in general charge of the work in the City connected with the reconstruction. I should also add that when the earthquake occurred, the whole of the Accounts staff at Quetta were affected and some were killed, some wounded and they were all completely put out of action. The Government of India, therefore, in order to ensure that there was some reasonable economy and audit control, immediately appointed an Officer with a staff belonging to the Audit Department who would supervise the whole of the work that was going on there and keep, so far as possible, a check upon expenditure. His accounts are being submitted regularly to the Accountant General, Central Revenues, and so far I have not yet been able to discover how much has actually been brought to account, but I would ask the House to realise that in this supplementary demand a good many of the sums which are submitted are still really in the form of estimates since final accounts have not yet been submitted, audited and checked. There is still a hope that there may be considerable reductions under certain items.

I will now turn to some of the more important points which my Honourable friend particularly criticised in the supplementary demand. I would also add that all these demands have already been before the Standing Finance Committee which have agreed to them, and I think, it is hardly fair to set up this House as a sort of audit establishment or to ask for too many details . . . .

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): What about motor cars?

Sir Aubrey Metcalfe: . . . . . at a moment's notice regarding particular figures. Figures in all cases are not available and all I can do is to explain to the House what sums have been recommended by the local authorities and what have been provisionally sanctioned, subject, of course, to subsequent audit control.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Were these details supplied to the Standing Finance Committee? I see nothing in the report, as I read it. I should like to know from my Honourable friend whether any detailed figures, under these heads, were given to the Standing Finance Committee.

Sir Aubrey Metcalfe: None were asked for. I myself appeared before the Standing Finance Committee and no details were asked for. I am only now able to give a certain number of details regarding the three main points which my Honourable friend mentioned.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Is it a fact that no details were asked for in the Standing Finance Committee? I know that details were asked for, but generally details are not supplied to the Standing Finance Committee.

Sir Aubrey Metcalfe: I was present before the Standing Finance Committee and I can say no details were asked for. I do not know whether my Honourable friend was present.

Mr. Lalchand Navalrai: I was.

Sir Aubrey Metcalfe: I certainly remember that no details were asked for. Only questions were asked and I did my best to answer them. My Honourable friend referred to three main things. He referred to the charge of 15 lakhs odd for hutting, tentage, water supply, lighting and so on. I can give some details about them. These are all initial cost. They are not recurring: providing huts for accommodating refugees rendered homeless due to the earthquake, 2¼ lakhs, providing huts in the civil lines for accommodating staff and offices of the civil department 7½ lakhs.

Mr. S. Satymaurti: How many huts?

Sir Aubrey Metcalfe: I could not tell you. I was just going to explain and I shall do so if my Honourable friend will not interrupt me. That includes not merely residential huts, but offices, and a Treasury. Every single office in Quetta had been destroyed, and, if the staff were to carry

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on with the ordinary administration, particularly with the salvage work, it was necessary that they should have some kind of temporary accommodation. I myself have seen those huts and I can assure the House that there is no luxury about them at all. They are simply built of wood with asbestos lining, and I think with tin roof and with wooden floors. Furniture is not provided by Government, that is to be hired by the officers themselves. The accommodation is of the most simple and elementary kind and it is the least that any officer can be expected to live in the climate of Quetta. I think that point of view will be perhaps concurred in by any Member of the Consultative Committee who has visited Quetta and himself seen and possibly lived in one of those huts.

I should also perhaps explain that the expenditure was considerably increased by the difficulty of obtaining skilled workmen who would go to Quetta under the conditions which prevailed there. Materials were expensive to bring up and I know that the workmen who were required to build those huts only came there very very unwillingly and at considerably higher wages than those which would have to be paid for the same kind of work in the plains or in another place. That, I submit is not the fault of the Government. The third item is providing houses on the race course for accommodating the 8th Road Construction Battalion, engaged on salvage, which is four lakhs and 16,000. The other items are comparatively small. These make the greater portion, *i.e.*, 2¼ lakhs for providing houses for camp refugees, 7½ lakhs for staff and offices, and four lakhs for the Construction Battalion.

The second item on which my Honourable friend expressed his astonishment was the salvage operation. The only two really large items are the pay of officers, that is, the three Assistant Claims Commissioners, which comes to Rs. 27,000, and pay of establishment, Rs. 17,000. Motor transport comes to two lakhs and 71 thousand, and salvage works, which includes cost of the Road Construction Battalion, six lakhs and 65 thousand. That is much the biggest item and I do not think I need do more to explain that. But the motor transport item is a big one and as that has been the object of special attack I think perhaps that I should explain further reasons for that. The position was that motor transport of a particular kind was urgently required in connection with the salvage of property, in connection with the removal of corpses and in connection with the clearance of streets. It was suggested by one of my Honourable friends that Government ought to have gone into the market and bought motor cars or lorries at Rs. 4,000 each. The class of lorries which was required was not obtainable for Rs. 4,000; they are nearly all large three-ton lorries and it was most necessary to have a proper organisation behind them. I admit that the prices are high and that fact has formed the subject of constant anxiety of the Government of India. Several protests were made and it was found that it was impossible, in the first instance, to obtain a properly organised lorry service of the type required unless we were prepared to pay a considerable sum much, I admit, in advance of the ordinary market rate. As I say, the Government of India watched the matter very carefully. It was raised in the Standing Finance Committee in September, and, thereafter, the Finance Department of the Government of India made special efforts to get it reduced. It was not possible to get any real reduction because the contract had been made until December of this year. It was then gone into again, and I may

perhaps read this telegram to the House which was received from Mr. Wylie very shortly after he took over. He says:

"Bagai Motor Contract. Have been into this carefully with all concerned. Bagai at present supply 50 lorries for Rs. 31,500 per mensem *plus* petrol. Propose renewal of contract for months of January and February only"—

The entire contract would cease at the end of February:

"36 lorries at Rs. 17,760 per month *plus* petrol. Local animal transport will be substituted where necessary for lorries reduced. Firm have accepted new proposal with great reluctance and am satisfied that terms are reasonable. Grateful for early sanction as existing contract expires on 31st instant", etc.

I merely read that to show that the Government of India have had this matter under their constant consideration and have done everything, as indeed I think the local officers have too, to keep down expenses on what was an absolutely essential service. If the prices paid were high, it must be put down, not to improvidence on the part of those officers, but to the fact that the transport was required immediately and that the transport required was of a particular kind with an organisation behind it. If Government had gone into the market and purchased motor cars they would have had to incur a good deal of capital expenditure most of which would have been subsequently wasted.

The third point, which I think my Honourable friend referred to, was the rural reconstruction. As I explained yesterday, rural reconstruction of one lakh and 50 thousand which is put down was mainly expended on the repair of *karezes* or water-courses. The only other things which have been allotted to that head are the repair of wells and of *bunds* all of which, I submit, were absolutely necessary. The estimates were very carefully prepared by the local officers and were sanctioned, after full consideration, by the Government of India. I may add for the information of the House that, in order to provide shelter to those villagers, for house accommodation, Rs. 1 lakh and 50 thousand was sanctioned not from Government funds but from the relief fund. That, as far as I know, has not yet been expended but the accounts are not yet available.

The fourth point to which my Honourable friend referred, was the 10 lakhs, which of course is a very large item of this 40 lakhs, which was given by Government as a subvention to the Viceroy's relief fund. It may be argued that Government had no right to give a subvention of this sort. But I would point out to the House that His Majesty's Government gave a subvention of £50,000 to this relief fund, which is something over six lakhs. It would, I think, have been improper for the Government of India to have given nothing towards this purpose when His Majesty's Government had shown such generosity. It was, as I say, a lump subvention which will be incorporated in the Viceroy's fund; and, as Honourable Members know, communiqués have been issued and more no doubt will be issued giving the exact expenditure from that fund. I am not in a position to give that information myself at the moment. There was one point which the Honourable Member made in this connection and that was how division was to be made between the military funds and the relief fund with regard to the immediate assistance given by the military authorities after the earthquake occurred. I am informed that a special staff has been at work for several weeks trying to disentangle the amounts

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which should be debited to Government and should be debited to the relief fund, but the results of their endeavours are not yet available; so that I can give no further information on that point. The Honourable Member did ask also that he might be given further information as to expenditure on earthquake generally from non-voted funds, particularly (presumably) defence funds. My Honourable friend, the Army Secretary, will, if the House requires, give such information as is available, after I have spoken.

Now, Sir, I realise that this is only a token cut, but it is intended, I imagine, to express disapproval both of the Government of India and of the local officers for the way that they have handled public monies in connection with this catastrophe. I trust, Sir, that if that is the Honourable Member's intention it will not be endorsed by the House. We can point to very solid results which have been achieved. Expenditure has been necessary and expenditure has been incurred, but surely, Sir, it is the duty of this House also to look at the results which have been achieved. I have here a telegram which I received from Mr. Wylie only yesterday and which I think will interest the House. He telegraphs:

"Salvage operations Quetta city were completed last Saturday. Since initiation of operations 12607 houses and shops have been salved, property worth rupees fifty-seven lakhs has been recovered and handed over to owners and 8078 dead bodies have been exhumed. Total number of claims received and disposed of was 16410. Probable that value of property handed over to owners is at least double figure given as it was not thought proper to harass owners unnecessarily in order to obtain exact figures. The value of property salved was also taken into account in granting relief so that owners had every inducement to understate value. Relations between officials and general public throughout operations have been excellent and the public are, I believe, genuinely grateful to Government for assistance rendered."

(Applause.)

I submit that that is an achievement which does not deserve any censure from this House, and I hope that Honourable Members will not support the Mover in this cut on the supplementary demand which we have asked for.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): Sir, I am sorry I came a little late yesterday and could not hear Mr. Satyamurti's speech, but I have heard my Honourable friend, the Foreign Secretary's explanation on some of the points raised by the Mover. The Foreign Secretary referred to the expenditure of Rs. 15 lakhs on huts. I have been twice at Quetta and seen these huts myself, the last time I was there, I did put up in one of these huts. The huts are very simple and not at all costly, and what the Foreign Secretary said about them is quite true. But, from what I heard at Quetta, the contracts given by the authorities were very expensive.

Mr. S. Satyamurti: That is my point and nothing else. You have wasted public money.

Mr. Lalchand Navalrai: To whom was the contract for the huts given?

Seth Haji Abdoola Haroon: The huts are about 40 feet long and about 12 to 14 feet wide. The material for these huts was supplied by Government, that is to say, the corrugated sheets, wood, asbestos, etc. It is true that the high officials have done their best to economise, but the subordinate staff did all they could to spend more and more money.

Mr. S. Satyamurti: What is the superior staff for?

Seth Haji Abdoola Haroon: I want to say certain things in this House, but it is very difficult for me to prove them. I have been asked to buy some corrugated sheets and asbestos and I have received an offer of 25 per cent. of the price—not as a merchant, for they know me well and know that I won't buy them, but the offer was in the market. Each of the huts, according to my information, cost not less than Rs. 5,000.

Mr. S. Satyamurti: Good Lord!

Seth Haji Abdoola Haroon: I might say that I was very much surprised when I saw these things. I do not want to suggest that any Committee of this House should be appointed, but I appeal to Government to try to make enquiries as to how much material they used for the huts, what material they imported, and what the balance is. If they do so, they will find that they have been robbed to a large extent.

As regards the salvage work, I must congratulate Mr. Wylie and others responsible for drawing up a programme and doing their level best to finish the work. Before the Salvage Committee was appointed, very little had been done. But the expenditure on this part of the work has also been exorbitant. The staff and the organisation have been such that I do not think even the American Government have done so much to safeguard their gold.

Rs. 1,50,000 have been spent for reconstruction. According to my information, this amount has been spent on wells and waterways; I do not deny that these are very essential. But people are suffering in Quetta and adjoining villages, and Government have done very little by way of assisting them for reconstructing their houses, or in any other way. It is true that 400 to 500 people have been given rest camps, but there are several thousands of others who have been neglected and have no place to live in. Those for whom rest camps have been provided belong to the Quetta City; the rural population have received no relief. If they have received anything at all, it is very little. I appeal to the Government to see that the Relief Committee, when they next go to Quetta, are taken to the rural areas with a view to rendering what help they can to those people.

I know the suddenness with which the earthquake took place. Of course, every one has done his duty honestly, but there have been loopholes, and I hope the authorities will not be disturbed by the criticisms which are made against the way things are done. The criticisms, I am sure, will be helpful to the people and also to Government. Sir, the big question of the reconstruction of Quetta is still hanging: and if the Government want a little criticism, I will tell them, when they start this reconstruction work, the material used in the rebuilding of the city should be as far as possible Indian made: besides, the contractor also must be mostly Indian, and the labour used must be the local labour of Baluchistan. These are three simple points, and, if these three points are kept in mind, I think there will be less trouble, and a lot of criticism will be avoided later on. I do not say that the Committee should be given any authority, but any scheme for buildings or offices must be placed in detail before any Committees that are appointed, in order that there may be

NOES—47.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das-Gupta, Mr. S. K.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Gidney, Lieut.-Colonel Sir Henry.
Grigg, The Honourable Sir James.
Grigson, Mr. W. V.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Leach, Mr. F. B
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Witherington, Mr. C. H.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a reduced supplementary sum not exceeding Rs. 40,66,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Baluchistan'."

The motion was adopted.

TAXES ON INCOME.

Mr. K. Sanjiva Row (Government of India: Nominated Official): Sir, I move:

"That a supplementary sum not exceeding Rs. 49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Taxes on Income'."

Mr. President (The Honourable Sir Abdur Rahim): Mr. Chettiar. His amendment is to raise the question of taxing salaries and pensions paid in England. That cannot be done.

Mr. T. S. Avinashilingam Chettiar: It can be raised for this reason. In answer to a question, the Honourable the Finance Member has replied that the question which I seek to raise under this head has been referred to the Experts Committee.

Mr. President (The Honourable Sir Abdur Rahim): That requires legislation, and, therefore, the amendment is out of order. Pandit Govind Ballabh Pant.

Mr. K. Sanjiva Row: That also is out of order, Sir.

FINANCIAL IMPROPRIETY.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Let me move my motion. I move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 49,000 in respect of 'Taxes on Income' be reduced by Rs. 100."

Sir, the proposal that is before the House is one more illustration of the arbitrary, autocratic and unconstitutional ways of the present Government of India. I will tell you what I mean. Under the rules governing supplementary estimates, the financial proposals of the Government must be laid before the Standing Finance Committee before they are placed before this House. This particular proposal was never placed before the Standing Finance Committee. So, I oppose it on the ground that the procedure prescribed for supplementary demands has not been followed, and I do not see how it is out of order. I know the four corners to which my observations should be restricted. I would have, in fact, asked the House to throw out this proposal *in toto*. I am not doing so, as I understand that the major portion of the sum that is included in this demand has already been spent. So, I have restricted my motion to Rs. 100 only.

The matter that arises out of this grant is of more than ordinary importance. It involves an inroad on the recognised privileges of this House. The Government have been dealing with this House in a very unconstitutional and arbitrary manner. In other cases they have gone against the principles that are involved in constitutional and representative Government, but in this particular case they have even violated the rules and the Resolutions laid down by this House and accepted by the Government and also by the Auditor General. There are 34 items before this House in the form of supplementary grants today and their total comes to more than a crore and 12 lakhs. Out of these 34 items, less than a third were placed before the Standing Finance Committee. It is obvious that this House cannot, by itself, go into the bewildering variety of details concerning these grants. The reasons that were given by Sir Malcolm Hailey at the time the Standing Finance Committee was appointed were of a common sense character, apart from their constitutional aspect. If this House is to exercise any check on extravagance, and if this House is to be kept acquainted with the administrative bearings of the proposals involved in expenditure, then this object can be achieved only by placing the proposals that the Government may have in view before the Standing Finance Committee. In this particular case, this was a proposal for a strictly new service. It would not have been incurred in ordinary course. It relates to the appointment of experts for a definite purpose, and the need for it did not arise out of the usual ordinary administrative requirements of the Department. In such a case, it was strictly a matter which came within the strict definition of a new service; and the Government were bound to place the matter before the Standing Finance Committee. There has been a big crop of supplementary grants amounting to over Rs. 1,12 lakhs. This, by itself, is a very vicious method of dealing with the finances. The Honourable the Finance Member, I think, accepted last year that supplementary demands should be very rare and should be restricted to very exceptional cases.

[Pandit Govind Ballabh Pant.]

And it is obvious why it should be so. If, after having disposed of the funds for the year, proposals to the tune of a crore and a quarter rupees are sprung upon this House, I say the budgetary equilibrium is evidently upset. The other difficulty is this: this House is not in a position to deal with it in a rational mood or in a rational spirit. In fact, these supplementary demands are, in substance, in no way better than excess demands. They are being placed before us at the end of the year. The money has already been spent, but in order to get out of the mischief that attaches to an excess demand, the Government have thought it expedient to place these proposals for the formal approval of the House. Many of these could have been placed before this House in September; even this particular grant should have been placed before this House, and, I think, in a matter like this, the Government ought to have consulted the House. They ought to have placed their proposals before this House; they could have then been given suggestions by the non-officials, even if they had agreed with the principle of this enquiry, as to the method of the enquiry, as to the questions that deserved consideration at the hands of the experts, and as to the way in which it would be most profitable for them to deal with the various questions arising out of and relating to the administration of the Income-tax Department. But not only did they not place it before the House, but they did not even consult the Standing Finance Committee. The Manual of the Standing Finance Committee clearly lays down:

"The functions of the Committee will be:

(a) to scrutinise all proposals for new votable expenditure in all Departments of the Government of India, to sanction allotments out of lump sum grants, to suggest retrenchments and economy in expenditure and generally to assist the Finance Department of the Government of India by advising on such cases as may be referred to it by the Department."

The matter was the subject of a Resolution in this House, and the Resolution originally ran thus:

"The functions of the Committee will be (a) to scrutinise all proposals for new votable expenditure in all Departments of the Government of India"

and then follow other items. As I pointed out the other day, the Honourable the Finance Member has as little tenderness for the decisions of the Finance Committee as for the decisions of this House or of any other body. Whenever the Finance Committee had the hardihood or the impudence to differ from him he stuck to his original proposals. He has, contrary to the rule which definitely lays down that it will be the business and the function of the Finance Committee to sanction allotments out of lump sum grants, never cared to place his proposals for allotment out of the lump sum grants before the Finance Committee but what we are particularly interested in today is this matter of the supplementary demands.

Now, Sir, as to whether supplementary demands should or should not be placed before the Finance Committee, that question was specifically considered by the Finance Committee as well as by the Auditor General, and it was then definitely laid down that any proposal which needed the sanction of this House in the form of a supplementary grant

must necessarily be placed before the Finance Committee. I will read it out:

"Another point on which the advice of the Committee was sought was the interpretation of the term 'new'. The Finance Department considered that it was unnecessary to apply to the committee merely to secure approval of excess expenditure on a service for which the Assembly has granted a vote if the excess is not in any way due to a new departure and the expenditure is clearly within the ambit of the item for which money has been granted. This rule would of course apply only where the expenditure would be met by reappropriation within the powers of the Government of India and a reference to the committee would be made if a supplementary vote by the Assembly was clearly involved."

I would like the House to note the words of this last sentence. Then follows this paragraph:

"The Committee were asked to say whether they would accept this as a reasonable interpretation of new expenditure. The Committee approved of the principles which had guided the Finance Department in these matters and accepted the interpretation of new expenditure suggested by the Department."

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What is the date of that?

Pandit Govind Ballabh Pant: This forms part of the functions and procedure of the Standing Finance Committee published in this pamphlet, dated 1932, which was given to us for our guidance when we were appointed members of the present Finance Committee; so it is clear that the standing rule was accepted by the Government, by the Committee and by the Auditor General and is in force to this day. A definite undertaking was given that every matter which required the supplementary vote of this House would be placed before the Standing Finance Committee. There is also Rule 50 of the Standing Rules of Business of this House which lays down that all proposals for new services would have to be placed before this House. According to that too, this was a question which had to be brought before this House and as such it ought to have been placed before the Standing Finance Committee. I sympathise with the Honourable the Finance Member. He cannot persuade himself to fall in with the views of the Standing Finance Committee. He knows perhaps that the majority there consists of people who are critically disposed. He feels perhaps that it is mere waste of time placing proposals before a committee which is not likely to ratify and confirm blindly and indiscriminately everything that he brings up. I will not give any comparative statement of the numbers of meetings of the Finance Committees held in previous years, nor will I say that the Honourable the Finance Member has a genuine regard for economy of time and as such he feels that that this is a wild goose chase, that we are lacking in a sense of responsibility and that it is altogether a waste of public money and of his valuable time; I can well appreciate his motive and his reasons, but then I would ask him to deal with this House in a candid manner. Bring forward a Resolution if you so choose, or pass a decree for that purpose to the effect that the Finance Committee is no longer necessary, that the Honourable the Finance Member can himself, unaided and unhandicapped, deal with all matters concerning the finances of this country, and this eye-wash and make-believe is no longer necessary. I can appreciate that attitude, but so long as this Resolution stands, so long as these rules remain, unchanged and unaltered, it is unconstitutional, apart

[Pandit Govind Ballabh Pant.]

from being irregular, on the part of the Finance Department to ignore the Finance Committee altogether. The Finance Committee has, in fact, been more than generous to the Finance Department. Even in respect of this Quetta demand, though we felt that there was much that was doubtful about it, when we saw that the money had been actually spent away, we thought that we were concerned more with the practical aspect of the question than with theoretical, and the money having been spent, we refrained from rejecting the demand and contented ourselves with the remark that the expenditure ought to be met out of capital and not out of revenue. Apart from the enunciation of that principle, we thought we had willy nilly to swallow it, so that whenever there has been an occasion of this nature, where the expression of resentment or disapproval of a formal and symbolical type was called for, we have ordinarily refrained from doing so, as we thought that that was not an appropriate place for such purpose, reserving to ourselves the liberty of dealing with the non-financial or political aspects of the question on the floor of the House. The Honourable the Finance Member, I hope, will have the fairness to say that we on our part have been equally jealous of making a proper use of our own limited time. But I request him, if he wants to change this rule or this practice, to frankly come forward with a proposal to this effect. This proposal is not one that affects any particular side of this House. Mr. James represents the European Group. Certain other gentlemen represent other groups, and every part of this House is represented in the Finance Committee. It is a mirror of this House where figures are seen in a diminutive proportion, but all the same it is a true mirror. I put a straight question to this House, whether they want the Government to ignore the Finance Committee and whether they want the Honourable the Finance Member with his usual vigour to ride in his own cavalierly fashion roughshod on the recognised principles and decisions of this House, and whether they want the Finance Committee to be treated in the manner in which he has treated it. That is the simple issue before this House. I am not concerned with the merits of this particular proposal. It is just likely that we in the Finance Committee might have approved of it, and it is just likely that we might have made some useful suggestions. Even where we have approved of proposals, we have made suggestions relating to the details of those proposals. It is just possible that we might have dealt with this matter in a manner which might have been profitable and helpful to the experts who are making an inquiry into this important question. But the simple point before this House is whether, considering the irregularity and the unconstitutional nature of the practice and procedure adopted by the Finance Department, this House should not unanimously vindicate its position and re-assert its right to examine, in its own Committee, the proposals that are later on placed before this House for consideration.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 49,000 in respect of 'Taxes on Income' be reduced by Rs. 100."

The Honourable Sir James Grigg (Finance Member): Sir, I think I can legitimately complain that the Honourable Member has given me no notice of his intention to raise this particular point and that, therefore, I am completely unprepared with documents and so on to meet the attack which has been made upon me. To a good many of his statements I take exception, and to some of his personal remarks I may equally take exception but I forbear to do that. The position is that the limits that the executive has from time to time prescribed need revision—and let me say by way of a digression that, in the main, this Committee derives its powers from executive orders and not from any constitutional enactment. The executive has from time to time imposed certain limits on the classes of cases that are submitted to the Standing Finance Committee in order that the Standing Finance Committee might make the best use of its time. As the Honourable Member knows, I have had under contemplation the making of certain suggestions for the alteration of those limits and putting them to the Standing Finance Committee. It is perfectly true that to that extent the Honourable Member has a genuine grievance. That has not yet been done owing to the extreme pressure of other business and to the amount of work I have had to do, especially work in the last two or three months. The Honourable Member knows quite well that there are many cases which I need not place before the Standing Committee even under the present limits. But it is quite true that this case appears to be one which ought to be put to the Standing Finance Committee, whether they ultimately approve my new suggestions or not so that in this case there has been a slip. To that extent, my Honourable friend has a genuine grievance, but that he should build on that and make a large attack on me for unconstitutionalism is, I think, very unfair.

Pandit Govind Ballabh Pant: I also referred to the matter in the course of my budget speech.

The Honourable Sir James Grigg: But you gave me no notice of your intention to do this today. It is a common civility in any Assembly in the world (*Voices*: "Oh! oh!") and, therefore, as I say, being undocumented, I do not propose to take up and challenge a good many of the statements of the Honourable Member, but I can say one thing. In my view the constitution of the Standing Finance Committee is fundamentally unsound in one respect, *viz.*, that it imposes upon the Finance Member the task of being a judge in his own cause and so long as that is the case, there must be a fundamental unreality about the whole proceedings of the Standing Finance Committee; and I will tell the Honourable Member another unreality about it. He pointed to their generosity in passing Demands and said that very few of them had been rejected. That is perfectly true, but, on the other hand, the Honourable Member made it clear on behalf of his Party, at the beginning of this Assembly, that they did not propose necessarily to be bound by their votes in the Standing Finance Committee when any matter came to the Assembly. Now there has been, I understand, a convention that, whenever members of the Standing Finance Committee have acquiesced in or accepted a certain proposal, they shall never speak nor vote against it in the Assembly. That convention has been broken by him and his Party, and the implication of that is that one of the fundamental purposes of the Standing Finance Committee, which is to shorten discussions in the House, can no longer be fulfilled. But, after all, let us go back to the main point of the question and that is—what cases shall be submitted and what cases shall not be submitted to the Standing Finance Committee. That I undertake to discuss with the Standing Finance Committee as soon as the present pressure upon me is a little lightened.

Mr. M. S. Aney (Berar Representative): Sir, the Honourable the Finance Member has made a grievance that he was not given sufficient notice by the Honourable the Mover of this amendment of the particular topic on which he has spoken this morning. However, in my opinion, that is a very small point so far as the issue before the House is concerned. In a way he, of all the Members of this House, must have known that the particular item or demand which he is placing before the House was not referred to the Standing Finance Committee at all. (Hear, hear.) This fact at least must have been known to him; it cannot be concealed from him, and having known that, he could have, as an intelligent Finance Member who is prepared to make a forecast two years or so ahead in connection with several matters, easily anticipated that any intelligent Member of this House might get up and say: "I object to this demand".

The Honourable Sir James Grigg: I think the Honourable Member is under a misapprehension. Quite a large number of cases are kept away from the Standing Finance Committee by executive order, small cases for example. It is quite true that this is one of those things which ought to have been submitted under existing rules, but an oversight is quite natural at times; there is, however, no doubt that there are a large number of cases which do not come before the Standing Finance Committee but are submitted to this House straightaway.

Mr. S. Satyamurti: Then the Honourable Member admits it was an oversight?

The Honourable Sir James Grigg: I said that just now.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Will the Honourable Member get up and say: "I won't do it again"?

The Honourable Sir James Grigg: I am not infallible.

Mr. M. A. Jinnah: Surely, the Honourable Member does not want intentionally to continue in these oversights.

The Honourable Sir James Grigg: I have not the slightest intention of continuing in any oversights; as I say, it was all unintentional.

Mr. M. S. Aney: The nature of the very word "oversight" is sufficient to show that there was no intention behind it.

The Honourable Sir James Grigg: Lest there should be any misunderstanding, let me say that I do contemplate submitting to the Standing Finance Committee certain proposals for modifications of the limits with regard to the cases submitted to them. That I intend to do.

Mr. M. S. Aney: There is one more point. The Honourable Member tried to draw a distinction between executive orders and restrictions imposed by a Constitution. The distinction is quite fair and natural also, but my submission is that, so long as certain executive orders have been issued to regularize the procedure, those who have promulgated those executive orders have to observe them and to carry them out. Because something is an executive order, it is not open to them to ignore that order on the ground that they have not got the sanction of a constitutional order behind it. That is all I have to say. In view of the explanation which the Honourable the Finance Member has given, I do not wish to pursue the matter further, but I believe the House owes to the Honourable the Mover of this cut motion a debt of gratitude for having brought a very important point to the notice of the House and for enabling the House to discuss that point.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I am sorry that the Honourable the Finance Member has not represented the facts quite correctly. It is true that in the beginning of this Session when we first met, we rather reserved to ourselves the right to do what we thought proper in this House as regards the motions which were passed by the Finance Committee. I am sorry that the Honourable the Finance Member has not quoted fully or correctly. I have till now thought that the proceedings of the Standing Finance Committee were confidential and that they could not be divulged in the House. But now that the Honourable the Finance Member has disclosed a portion of it, I am in honour bound to say what actually happened in the Finance Committee. We did say we were not bound to support the proposals, but we asked him, when he came forward with supplementary demands, whether he would be able to supply this money without further taxation. We also pointed out that if further taxation was resorted to, we would reserve to ourselves the right to oppose it. If this supplementary demand was brought forward in the House, one of the conditions was . . . .

The Honourable Sir James Grigg: I wish to point out . . .

Mr. T. S. Avinashilingam Chettiar: I am not giving way. The Honourable Member will have his own opportunity of explaining his point.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is making certain charges against the Finance Member and it is only fair that he should allow him to explain.

The Honourable Sir James Grigg: I can read from the minutes of the proceedings recorded at that time:

> "Certain Members wished it to be recorded at the outset that although in the course of the discussion they might accept certain proposals being justifiable on administrative grounds, this should not be regarded as debarring them from opposing grants relating to the same items on other grounds in the Legislative Assembly. They wished to reserve full liberty to deal with the proposals on the floor of the House."

Mr. President (The Honourable Sir Abdur Rahim): Perhaps the Honourable Member is not aware of the convention that the members of the Standing Finance Committee should not speak against the findings unless they expressed their dissent in the Committee on particular points.

Mr. T. S. Avinashilingam Chettiar: To which Honourable Member you are referring, Sir? Not to me, I suppose.

I can recall the Honourable the Finance Member's conversation in this respect. If there are political policies involved in the supplementary demands which were passed in the Finance Committee, we did reserve to ourselves full right to oppose such demands in the House and we stick to that.

[Mr. T. S. Avinashilingam Chettiar.]

The Honourable the Finance Member was saying that the Standing Finance Committee was constituted under executive sanction. May I read out a few lines from these proceedings which would show clearly how it was constituted?

Mr. President (The Honourable Sir Abdur Rahim): They have already been read out.

Mr. T. S. Avinashilingam Chettiar: What I am going to read has not perhaps been read out. I read Appendix II from the Extract of the Legislative Assembly Debates dated the 11th March, 1922, regarding the election and functions of the Standing Finance Committee. This does not bear out what the Honourable the Finance Member said, namely, that the Committee was constituted under executive sanction . . . .

The Honourable Sir James Grigg: The Honourable Member is again misrepresenting. I said the limits upon the cases which were submitted to the Committee were imposed by executive order.

Mr. T. S. Avinashilingam Chettiar: The Resolution as passed by the Assembly on the 11th March, 1922, runs as follows:

"That this Assembly do proceed to the election in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number to which shall be added one Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be Chairman of the Committee.

The functions of the Committee will be :

(a) to scrutinise all proposals for new votable expenditure in all Departments of the Government of India, (b) to sanction allotments of lump sum grants (c) to suggest retrenchments and economy in expenditure and (d) generally to assist the Finance Department of the Government of India by advising on such cases as may be referred to it by that Department."

So, Sir, I submit this Resolution has legislative sanction behind it. Therefore, it is not quite correct to say that it was only as a matter of executive sanction that this Standing Finance Committee was set up. Sir, I support the cut motion.

Sir Cowasji Jehangir: Sir, I am afraid this discussion is rather unfortunate, because we have not been able to hear fully the Government point of view, because, as the Honourable the Finance Member says, he has got no documentary evidence with him just now to present to the House. But, from what has been said already, two main points appear to me to be perfectly clear. In the first instance the Standing Finance Committee was appointed by a Resolution of this House and its scope and functions were also laid down at the same time. It is said that all supplementary demands should be brought before the Standing Finance Committee. It is there.

The Honourable Sir James Grigg: Not at the same time, but later on.

Sir Cowasji Jehangir: May be a little later on. Possibly it was later, because, I understand, that the Standing Finance Committee came into existence by a Resolution of this House in 1922. Well, I was not a Member of the House then. But I do remember the other Resolution

passed by this House. I am only speaking from memory. I have not lately read the Resolution which has just now been read out to the House by my Honourable friend, Pandit Govind Ballabh Pant. I do recollect it. The Resolution laid down that the Standing Finance Committee should examine *all supplementary demands* which require extra money and which could not be met by reappropriation. Now, the explanation given by the Honourable the Finance Member, so far as I understood him, was that that had not been followed, but that it had been varied by executive action.

The Honourable Sir James Grigg: Certain limits have been imposed by executive action generally.

Sir Cowasji Jehangir: After that, Resolution was passed by this House which clearly laid down that all supplementary demands should be placed before the Standing Finance Committee.

The Honourable Sir James Grigg: No limitation has ever been imposed in the matter of supplementary demands. The limitation was in regard to other demands for new items. The limits imposed were to avoid the absurd situation whereby a new item involving say Rs. 10 would have to go to the Committee. Certain limits were laid down by executive orders and I do not believe that they have ever been communicated to the Committee.

Sir Cowasji Jehangir: It appears to be so. It appears to be that the House passed a Resolution that all supplementary demands should be placed before the Standing Finance Committee: it appears that that Resolution was subsequently varied or limited by executive action.

The Honourable Sir Henry Craik (Home Member): By the Committee itself.

Sir Cowasji Jehangir: By executive action which was never placed before the Standing Finance Committee.

The Honourable Sir James Grigg: The Committee accepted the principle that cases of minor importance should not go before them and the criteria of minor importance have been laid down by executive action.

Sir Cowasji Jehangir: At any rate so far as this House is concerned, at present today there is a Resolution passed by the House that all supplementary demands should be placed before the Standing Finance Committee. It expects that when supplementary demands come before the House they came after examination by the Standing Finance Committee. It is not the function of this big House to examine every detail after it had been examined by the Standing Finance Committee. Now, it appears that under executive action certain limitations were placed and that all supplementary demands were not placed before the Finance Committee.

The Honourable Sir James Grigg: I am sorry if I misled the Honourable Member. Supplementary demands do not cover the whole picture. In the case of new items not involving supplementary demands there are certain limitations which exclude cases of minor importance. It is only in cases of minor importance that the rule does not apply. In the present case, through oversight this has not been put before the Committee.

Sir Cowasji Jehangir: Leave aside this case. We are already satisfied it was an oversight.

The Honourable Sir James Grigg: Supplementary demands even for Rs. 10 have to go to the Standing Finance Committee under the existing orders.

Sir Cowasji Jehangir: Then is not the complaint put forward by my Honourable friend, Pandit Govind Ballabh Pant, that some supplementary demands have not been presented to the Standing Finance Committee justified?

The Honourable Sir James Grigg: Only this one.

Sir Cowasji Jehangir: Is this the only one? I understand there are several other cases.

Mr. S. Satyamurti: Only nine out of 34 were put before the Committee.

The Honourable Sir James Grigg: This illustrates my point namely the impossibility of carrying on this discussion without any notice of it being given to the Government.

Sir Cowasji Jehangir: We have got to do the best under the circumstances. There is no use complaining about it. The point is that certain supplementary demands were not placed before the Finance Committee which ought to have been under this rule. This one you have admitted as a slip and after all everybody can make slips. But there are other cases and that appears to me to be wrong, unless with the consent of the Finance Committee you make other rules restricting the rule already read out by Pandit Pant and the Resolution passed by this House. That is so far as I am concerned; and I feel sure that between the Finance Member and Pandit Pant they will see to it very soon that rules are framed to their mutual satisfaction which will restrict the Resolution passed by this House which is in force today. So far as we who are not members of the Finance Committee are concerned, we are bound by that Resolution of the House until you come and inform us that by mutual consent you have modified that Resolution to the advantage of all. It seems to me a misunderstanding. I think the Finance Member will look into the matter and will clear it up to the satisfaction of all.

The second point that has been raised is of considerable importance of which I was not aware. I have always contended, not only during the life of this Assembly but previously too, that if any Member, it does not matter what party or group he belongs to, attaches his signature to a Select Committee's report without a note of dissent, it is incumbent upon him to support that Select Committee's report in this House. He may disagree with his party and there may be domestic differences with which we are not concerned; but, as far as he is concerned, we do expect that he will support that Select Committee's report unless circumstances have radically changed during the lapse of time between his signature and the presentation of the reports to this House, in which case he may make a modification. I think the same rule ought to be applied to the Finance Committee's report.

The Honourable Sir James Grigg: It has hitherto applied.

Sir Cowasji Jehangir: If any member of the Finance Committee feels that he cannot give full support to a proposal it is always open to him to say that in any particular case he has his doubts and he reserves to himself the right to rediscuss it in the House.

Mr. S. Satyamurti: Can he do it?

Sir Cowasji Jehangir: Of course he can; there is nothing to stop him from putting in a note like that. But there cannot be a rule whereby every member of the Finance Committee is free to agree to a proposal in the Finance Committee and oppose it in the House. Then the whole object of the Finance Committee would be frustrated. In that case this House would not get that assistance and that support from the Finance Committee which is due to it. We appoint the Finance Committee to examine these proposals and to advise us; and if members constantly change their mind between the time the meeting of the Finance Committee takes place and the proposal is discussed in this House, as the Finance Member says, the whole object of the Finance Committee is frustrated. Under those circumstances, I feel sure, that Honourable Members of all parties will agree to the convention that has held good up to now that if a thing is supported in the Finance Committee they will do their best to support it in this House or they will put in some note to say that they are not in complete agreement and that it is open to them in future to contest any proposal made.

Pandit Govind Ballabh Pant: Sir, I may be allowed to say something by way of personal explanation. I do not mean to argue anything, but I should like to say that I was not at all actuated by any desire to embarrass any Honourable Member of this House personally by making the motion, much less the Honourable the Finance Member. It involves a question of principle. I want to concentrate on what had been accepted by his predecessor that:

"a reference to the Committee would be made if a supplementary vote by the Assembly was clearly involved."

If he agrees to refer matters to the Finance Committee wherever a supplementary vote of the House is needed, in accordance with this principle accepted by his predecessor, I have no desire to ask the House to impress it on him further by any other method.

Then, Sir, I may state here as to what happened in the Finance Committee, because I am responsible for what was done there; and, if the Honourable Member will excuse me, whatever we put in, there was more or less by way of agreement between us. There were matters of principle on which we held very strong opinions, such as the Government of India Bill and other matters. Proposals came before the Finance Committee relating to the Reforms Department, relating to the federal structure, and so on. We were strongly opposed to these matters so far as matters of policy and political and constitutional questions were concerned. On the other hand, we do not like money to be wasted. We put it to the Finance Member that we were in a difficulty. We could not possibly

[Pandit Govind Ballabh Pant.]

be a consenting party to anything connected with the proposed Constitution. On the other hand, we felt that wherever there were cases of extravagance or wherever too many men were being imported from outside we were expected by this House to deal with details there. So we told him that we would rather take a cautious line. We wanted to put him on his guard and we told him . . . .

The Honourable Sir James Grigg: Sir, I thought this was a personal explanation, and obviously this point of personal explanation cannot be argued till the crack of doom.

Pandit Govind Ballabh Pant: I withdraw the words that we wanted to put him on his guard. We said that if we were not to examine these things on the merits, we would not be just to the Committee. On the other hand, if questions of principle arose on the floor of this House regarding these matters, we could not possibly support them. That is what we said, but the fact remains that, up to this time, we have not opposed any demand on the floor of this House. Where a question arises as to the misapplication of the money, that is a different thing, but we have not opposed anything in practice. To tell a man, to put him on his guard, to ask him to be more cautious, is certainly a matter for which one should be obliged and of which one should not make a grievance. So far as this motion is concerned, if the Finance Member accepts my suggestion, I have nothing more to say about it.

The Honourable Sir James Grigg: Sir, I accept that as a statement of the position as it is now, but I am not going to conceal from the House that I propose to discuss with the Committee later certain modifications of that position. But that is the position now, and I certainly accept that view.

Pandit Govind Ballabh Pant: Sir, I beg leave of the House to withdraw this motion.

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

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Taxes on income'."

The motion was adopted.

SALT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Salt'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 1,99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Salt'."

Mr. S. Satyamurti: I don't move my amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Salt'."

The motion was adopted.

EXCISE.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 16,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Excise'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 16,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Excise'."

The motion was adopted.

INTEREST ON ORDINARY DEBT AND REDUCTION OR AVOIDANCE OF DEBT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 21,06,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 21,06,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

Mr. S. Satyamurti: Sir, I am merely asking for information. You will find the details of this on page 6 of the Supplementary Demands for Grants notes. The note says:

"An additional expenditure of Rs. 20,95,000 has been incurred in connection with the flotation of three per cent. stock, 1949-52 and of Rs. 50,000 for the management of rupee debt in England. It has been found possible to meet Rs. 39,000 of the total excess of Rs. 21,45,000 by re-appropriation within the Demand. A supplementary grant of Rs. 21,06,000 is, therefore, required."

I want some details. When did Government anticipate this liability definitely?

The Honourable Sir James Grigg: I can easily explain that.

I think that the Honourable Member is under a misapprehension. In the original budget we anticipated that we would have to borrow about Rs. 25 crores all told. We were not certain, at the beginning of the year, whether we could avoid borrowing in London and borrow the whole in

[Sir James Grigg.]

India but we made no actual provision for borrowing in England. The expenses of the floatation of a loan in India are less than they are for borrowing in London. In the end, taking last year's actual events and this year's forecast together, instead of allowing last year's sterling maturity to run off and borrowing to pay off the one this year, we did the reverse. We borrowed ten millions out of the twelve millions maturing in London last year and we propose to borrow none of the sixteen millions maturing this year. We cannot foresee six months ahead we must act in accordance with market conditions at the time when the maturity happens. I honestly think that the Honourable Member would be unreasonable in seeking to tie the hands of the executive in this. In matters of dealing with maturing loans they must retain the initiative, and they must in certain circumstances incur expenditure in anticipation of the approval of the Legislature, and it is no good my pretending that it can be avoided.

Mr. S. Satyamurti: On the other hand, I am entirely with the Honourable the Finance Member in trying to buy off all these debts, raising loans and paying them off. I am not on that question. I am on the narrower question of financial propriety. I am not on the merits of the loan.

The Honourable Sir James Grigg: The absence of financial propriety consists only in this that Government cannot possibly give notice of their exact intentions in regard to loans beforehand.

Mr. S. Satyamurti: But, as soon as Government make up their mind, why don't they come up to the Standing Finance Committee and to this House?

The Honourable Sir James Grigg: You must deal with the maturity first and then cover afterwards. You cannot possibly give the Legislature notice of your intentions in regard to any particular maturity.

Mr. S. Satyamurti: But, as soon as they publish their intentions in the market, can they not come to the House? I am not suggesting that they should, in advance of their announcement in the market; but as soon as they make their announcement, and invite subscriptions to the loan, they can come up to the Standing Finance Committee and to the House.

The Honourable Sir James Grigg: As he knows, a convention has been established that supplementary estimates shall be kept till the end of the year and not brought forward immediately during the Simla Session. That is the reigning convention at present. He and I have had some discussion about it, and he knows that I have some sympathy for his views.

Mr. S. Satyamurti: I do not want to take advantage of the Honourable the Finance Member's slip in that other case, but it does seem to me, that to plead now the convention in favour of waiting till Delhi and say in the other case the convention is something else—I forget about it—is rather less than fair to this House.

The Honourable Sir James Grigg: I do not think so; I had no intention of being unfair.

Mr. S. Satyamurti: I want to get some information. When was this loan actually floated?

The Honourable Sir James Grigg: In July.

Mr. S. Satyamurti: When did we meet in Simla?

The Honourable Sir James Grigg: In September.

Mr. S. Satyamurti: Why was not this expenditure brought to the notice of the Assembly in Simla?

The Honourable Sir James Grigg: That is the question I have answered. The Honourable Member, from discussions in the Public Accounts Committee, knows that the Auditor General advised that supplementary demands should ordinarily be kept, except in respect of new services, till the Delhi Session, when the necessity for them could be more certainly established.

Mr. S. Satyamurti: I do not agree with the Auditor General.

The Honourable Sir James Grigg: I know that and I hope I made it quite clear. The Honourable Member has expressed that view in the Public Accounts Committee, and I say that I sympathise with his views to some extent. He knows that from certain discussions we have had.

Mr. S. Satyamurti: I want the sympathy turned to action. If my Honourable friend will undertake that hereafter, he will bring up supplementary demands as early as they can be brought before the Standing Finance Committee and this House, I shall be satisfied.

The Honourable Sir James Grigg: I was under the impression that a circular had been sent round to departments to that effect. Where the necessity for a supplementary demand is absolutely certain or can be foreseen absolutely for certain at the time of the Simla Session, I agree with the Honourable Member that it should brought forward then. If there is a chance of avoiding a supplementary demand by economy during the rest of the year, I do not think it should be brought forward.

Mr. S. Satyamurti: This particular demand refers to my Honourable friend's own department, and this is a demand in respect of which he knew the liability more or less accurately as early as July last. After all, when you had actually floated a loan . . . . .

The Honourable Sir James Grigg: The Honourable Member—I do not say deliberately—is being a little unfair. This was not brought forward because of the earlier existence of a different convention. The convention has been changed.

Mr. S. Satyamurti: May I take it, therefore, that, when next time this contingency happens, the demand will be brought forward before the House at the earliest possible moment?

The Honourable Sir James Grigg: That is so.

Mr. S. Satyamurti: I don't move my amendment.

Mr. M. Aananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I oppose the main demand. I find that this matter was not also placed before the Standing Finance Committee. As regards the answer which the Honourable the Finance Member gave to my friend Mr. Satyamurti—that he could not have thought of it and that it has not been the practice to take the Legislature into his confidence—I find that in 1935-36, a provision was made in demand No. 25-A. 1(2) of Rs. 50 lakhs under "Reserve provision for service of new loan", and, therefore, it is not a matter which can be kept away from the knowledge of the Assembly . . . .

The Honourable Sir James Grigg: May I explain that? In my re-
1 P. M. marks just now I really despair of making this clear—I explained that in the original estimate it was contemplated that the whole of the borrowing should take place in India: later in the year it was decided to do part of it in India and part of it in England.

Mr. M. Ananthasayanam Ayyangar: The Honourable Member's explanation does not answer my query. The point is as to whether the Assembly ought to be taken into confidence or not. If in one matter the Assembly can be taken into confidence, certainly in other matters also they could be taken into confidence. But it is another thing to say that at that time they did not anticipate or contemplate that any portion of this loan should be raised in England; and if that is the explanation, I have absolutely no quarrel.

Then, on the merits, both in respect of policy and on the economic aspect of it, I raise objections. This is a new demand: it was not in the original one; it is a new service.

The Honourable Sir James Grigg: It is not a new service.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go into that. It is not a new service: I cannot allow the Honourable Member to discuss it any further.

Mr. M. Ananthasayanam Ayyangar: On a point of information, Sir. The details are given in the demands: this item does not appear in the demand for grants for last year, 1935-36. It is a new item. May I know whether it is open to me to raise this question now or not? It was not put before the Standing Finance Committee either.

Mr. President (The Honourable Sir Abdur Rahim): This is not a new service.

Mr. M. Ananthasayanam Ayyangar: Apart from the question of policy, it is open to me to say that of this £10 millions raised in England £1,00,000 was paid by way of discount: we find in 1934-35 . . . .

The Honourable Sir James Grigg: It has nothing to do with discount: it is underwriting charges.

Mr. M. Ananthasayanam Ayyangar: My complaint is that the benefit of these underwriting charges has not been allowed to this country. I would say there has been a lot of money in this country lying idle both in the banks and with private individuals, and, during the whole of the year 1934-35, we find that the bank rate throughout the year stood at the level of 3½ per cent. . . . .

The Honourable Sir James Grigg: This has nothing to do with the bank rate: these underwriting charges are paid under an arrangement which allows India the same terms as all the other dominions. It has nothing whatever to do with the bank rate.

Mr. M. Ananthasayanam Ayyangar: Why did you raise it in England?

Mr. President (The Honourable Sir Abdur Rahim): That is a question of policy: the Honourable Member cannot discuss it.

Mr. M. Ananthasayanam Ayyangar: It was exactly because it was done in England that we had to pay these underwriting charges.

Mr. President (The Honourable Sir Abdur Rahim): Very well; the Honourable Member cannot raise the question of policy.

Mr. M. Ananthasayanam Ayyangar: The loan would have sold like hot cakes and the people would have taken it in India. There would not have been any necessity for underwriting to the extent of 20 lakhs. I find that in the report published by the Controller of Currency for the year 1934-35 there has been so much of money in this country; when the year opened the bank rate was 3½ per cent. . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair has told the Honourable Member that he cannot go into that question, and the Chair will not allow him to do it.

Mr. M. Ananthasayanam Ayyangar: Then, I should like to refer to some facts which will show that when the previous loan was subscribed here there was not so much to incur by way of expenditure. The loan that was raised . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is still on the same point. The Chair has given its ruling, and the Honourable Member must obey the ruling.

Mr. M. Ananthasayanam Ayyangar: I will not touch the question of policy. I will only say that if it had been raised here the Government would not have had the necessity of underwriting to that extent that is the loan that was raised . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair must ask the Honourable Member to resume his seat: if he goes on raising the question of policy, the Chair cannot allow him.

[Mr. President.]

The question is:

"That a sum not exceeding Rs. 21,06,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

The motion was adopted.

EXECUTIVE COUNCIL.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 17,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March 1936, in respect of 'Executive Council'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 17,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March 1936, in respect of 'Executive Council'."

The motion was adopted.

LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Legislative Assembly and Legislative Assembly Department'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

FOREIGN AND POLITICAL DEPARTMENT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Foreign and Political Department'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 1,22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March 1936 in respect of 'Foreign and Political Department'."

Extravagance.

Mr. S. Satyamurti: Sir, I want to move my motion for eliciting some information. I move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,22,000 in respect of 'Foreign and Political Department' be reduced by Rs. 100."

If you will kindly turn to page 9 of this book, Sir, you will find two Notes, first, Pay of Officers, Rs. 6,800 . . . .

Mr. President (The Honourable Sir Abdur Rahim): Is the Honourable Member moving?

Mr. S. Satyamurti: Yes, Sir, in order to seek some explanation. Under this item, I mean the Pay of Officers, it is stated that it is required to meet excess due to non-inclusion of provision for the Federation Branch. The total excess amounts to Rs. 15,000. The balance will be met by re-appropriation. Sir, I want to know what this Federation Branch means, for how long it has existed, how much longer it will exist, what are its duties, and what are its total commitments. Secondly, I want to know, Sir, from what head this sum is going to be reappropriated. My Honourable friend, the Finance Member, referred to the Public Accounts Committee's proceedings, and I shall say that we came there to a tentative conclusion that wherever a supplementary demand is sought to be met, partly by asking for a fresh grant and partly by reappropriation, information as to its extent and source would be made available to the House. I find it is not done here . . . .

The Honourable Sir James Grigg: I think the Honourable Member must allow a little time to make changes in practice. I hope what he wants will be done in course of time.

Mr. S. Satyamurti: I do understand that you want a little time. I am prepared to wait. But with regard to (b) Postage, Telegram and Telegraphic charges, Rs. 1,15,200, it is a supplementary demand, not an original demand, and this is required "to meet increased expenditure on telegraphic correspondence due to sudden changes in the political situation, disturbances in the Frontier, and introduction of Reforms, etc.". I am glad they put all these three, namely sudden changes in the political situation, disturbances in the Frontier and introduction of Reforms under one head. I want to know if Government can justify all those on any reasonable grounds. Of course, the Foreign and Political Department have no mathematical test all.

An Honourable Member: Crores do not count.

Mr. S. Satyamurti: Yes, crores do not count, but to us, humble taxpayers, these sums do count. How many telegrams did they send, to whom did they send those telegrams, and what for? With regard to the sudden changes in the political situation, what happened last year? We have been here ploughing the sands the whole year, there was no Civil Disobedience Movement. What happened in the Frontier? We pass Resolutions here, but you turn them down. We make certain cuts, and you

[Mr. S. Satyamurti.]

certify them. Do you go to the Viceroy on telegrams and come back on telegrams? (Laughter.) We are all here in Delhi and Simla, and so to whom did you telegraph? I do think, Sir, the House ought to be told something about these matters, and Honourable Members of Government are not to come here and coolly ask for Rs. 1,15,000. Mr. Sanjiva Row comes here and asks for this supplementary sum. What does he know about this? Why does he move it? Does he know anything? I want this joke to be exposed. The Members of the Finance Department quietly get up and say: "Sir, I move". What do you move? Do they know anything at all about this? What is this farce for? Have they got any papers to show as to why so much money has been spent? You talk of the sudden change in the political situation. Nothing has happened in the whole of last year. What was the sudden change in the political situation? Mahatma Gandhi is out of public life, and we are here, and you are here. And whom did you telegraph about us, or what for? Then, about disturbances in the Frontier, what about that? To whom did you telegraph? It was not for bombs? It was for telegrams. Can my Honourable friend, Sir Frank Noyce, throw some light on this, being the Honourable Member in charge of the Posts and Telegraphs Department . . .

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I can only say that I welcome the addition to the resources of my Department.

Mr. S. Satyamurti: And introduction of reforms,—what happened the whole of last year? The Reforms Office was functioning here. Probably they send these interminable cables, and, whenever we ask them to place any correspondence on the table of the House, they won't place it. We pay them so much. If at least they show us these telegrams, there may be something to be said for it. They don't tell us anything about those telegrams. Sir, I have spoken humorously, but I do suggest, Sir, that it is a tall order to ask the House to grant a supplementary sum of Rs. 1,50,000, without giving us any information.

Sir Aubrey Metcalfe: Do you wish me to speak now, Sir?

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,22,000 in respect of 'Foreign and Political Department' be reduced by Rs. 100."

Sir Aubrey Metcalfe: May I, Sir, first of all deal with the question of telegrams? I admit that the bill sounds extremely large, but it is not fair to put all that on the Foreign and Political Department. We, actually being in charge of the Cypher Bureau, issue cypher telegrams on behalf of all the Departments, the Home Department, the Finance Department, ...

Mr. President (The Honourable Sir Abdur Rahim): As it is quarter past one, we had better adjourn now.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Sir Aubrey Metcalfe: Sir, I commenced before lunch an attempt to answer some of the questions put forward by the Honourable the Mover of this motion. I will deal with them, I think, in the order in which he placed them. He, first of all, asked for information about the expenditure suggested here on account of the Federation Branch. It will be seen from this that the total excess amounts to Rs. 15,000 and we are only asking for Rs. 6,800, the balance being met by re-appropriation. Well, I have not been able to discover, in the short time at my disposal, exactly where the remaining Rs. 9,000 is being re-appropriated from, but, I think, the House will agree with me that a small sum of that kind is not of very great importance. What I will do, although it is not included in this supplementary demand, is to give the Honourable Member and the House some explanation of the extra officers and the extra staff which have been found necessary, why they are necessary and what work they are doing. There has been appointed an Additional Secretary with effect, I think, from April of this year; the present sanction lasts for two years. The justification for creating the post is that, after the issue of the Joint Select Committee's report, a vast amount of preparatory work in connection with the inauguration of the Federation between British India and Indian States devolved on the political side of the Department. The work consists mainly in determining what Federation will actually mean for States or groups of States in respect of the several Federal subjects; secondly, working out balance sheets of debits and immunities of each individual State, thirdly, explaining the conclusions reached on these two points to Indian States and ascertaining their views thereon, fourthly, examining the Indian States' views when received and then formulating proposals regarding the minimum content and actual form of the Instruments of Accession, and fifthly, entering into negotiations with Indian States with a view to the execution of the Instrument of Accession. In addition to this, the Federation Branch has been employed on work connected with the framing of the Government of India Act of 1935, creation of the office of His Majesty's Representative, reorganisation of the Foreign and Political Department which contains a very large cadre, and formation of a separate Department for the conduct of relations of the Crown with Indian States and administrative rules and regulations to suit the new conditions, and other work connected with the Government of India Act, 1935.

Whatever may be the view of Honourable Members opposite as to the Government of India Act, or the policy that lies behind it, I think they will admit that servants of the Crown and members of my Department have got to carry out the policy, and, in order to carry out that policy, they must have staff to do it. There is a great deal of work which requires to be done to prepare the ground for the coming of Federation, whether it comes now, or whether it comes later. So much for the Additional Secretary. The Joint Secretary has been in existence for some years. I think he was originally started in 1933, and then his functions, which were mainly to do with constitutional reform, were taken over by the Additional Secretary in April of this year, and the Joint Secretary has now been sanctioned for an additional period of two years mainly, in

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order to deal with the very large number of special problems as between the Government of India and the States which have arisen largely as the result of the coming or the proposed coming of Federation. The House will understand that, if there are to be Federation and new agreements between Indian States and the Crown, it is only natural that a very large number of problems, financial and otherwise, which affect those relations, should be raised as between the States and the Government of India. The States are naturally anxious, if they are coming into the Federation, to get the best possible terms, and, therefore, they raise questions which have lain dormant for some years, and it is impossible to deal with all those questions without some staff at headquarters to examine them, and the financial implications are very large, and very important, from the point of view of British India. We have also an additional reason why a Joint Secretary is necessary, and that is that we have, during the last couple of years, established direct political relations with 151 Bombay States, 15 Central Provinces States and 26 Bihar and Orissa States, all of which were previously in relation with the Local Government concerned and not direct with the Government of India. And further work will be thrown on the Department when we bring into direct relations with the Government of India a number of States which are now in relation with the Governments of the Punjab, the United Provinces and Bengal. Well, Sir, it is obvious, if you put officers on to do these complicated problems, they must have some clerical staff to assist them. The clerical staff consists of two Branches, one of which is mainly occupied, I think, with the Quetta Earthquake. I may add that the posts of Additional Secretary and Joint Secretary are filled by members of the Department and very little extra expenditure really is thrown on the Government of India by these appointments as they already are entitled to their time scales of pay, and they only receive a reasonable allowance in addition. The actual thing which the House is now asked to sanction is the post of an Under Secretary who has been appointed mainly to deal with the many financial problems that come up and to assist the Additional Deputy Secretary who has already a larger burden of work than he can perform. In looking at the picture, I have presented, I should like the House to remember that there was a great deal of retrenchment carried out in this Department in 1932, and we have been working since then at very high pressure, so that it was quite impossible for us to take on a large load of additional work without some assistance.

Now, Sir, I will turn to the question of telegrams. I admit that the bill is rather startling, and it certainly startled me when I saw it. But I would, ask, first of all, that it should be remembered that, not a great deal, but a good deal of this expenditure is on cypher work, the whole of the charges for which are carried on the budget of the Foreign and Political Department, although the telegrams emanate from other departments of the Government of India. There is no system of book-transfer but the charges are merely taken on to our budget, so that we have by no means—I certainly as head of the Department have no real control over the expenditure. We get telegrams sent to us by other Departments which it is our duty to issue and to pay for. I have attempted in the very brief time at my disposal to make some analysis of the reasons for this very large expenditure during the current year. A full analysis has not, of course, been possible, but I have discovered, that during the last quarter of 1935 the expenditure on cypher telegrams alone was exactly

double what it was in the year before. The reasons, so far as I have been able to find them, for this large expenditure during the current year, are as follows. In connection with the Silver Jubilee, we had to send a very large number of medals by post which meant heavy registration charges. They had to be sent to all centres.

Mr. S. Satyamurti: But are they telegram charges?

Sir Aubrey Metcalfe: You will see that postal charges are included in this item. It is not solely telegraph. The House will understand that this was hardly to be expected. They had to be sent to all the distant parts of India and heavy registration fees had to be paid. All those charges went, of course, to swell the budget of my Honourable friend, the Member for Industries and Labour. Then the Quetta earthquake cost us a great deal in the way of additional telegrams. There was a constant stream of telegrams having to be sent to the Secretary of State and long communiques had to be sent home and a very large number of points connected with the administration of earthquake relief and so on had to be referred to him. All that was entirely unexpected.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): It is not mentioned here.

Sir Aubrey Metcalfe: I admit it is not mentioned there but I am trying to explain additional reasons to the House for what is admittedly a startling rise. That contains only a very brief summary. I am giving you more justification. Then the Mohmand expedition last September necessitated a very great deal of telegraphing both to the Secretary of State and to the North-West Frontier Province and the Minister at Kabul had to be consulted very freely. All that cost a good deal of expenditure which might otherwise have been avoided. I understand too that we have had to issue during this last year a very large number of telegrams on behalf of the Reforms Branch with regard to the final stages of the Government of India Act. I have not been able to get exact figures but they certainly are very large.

Mr. M. Asaf Ali (Delhi: General): In cypher?

Mr. T. S. Avinashilingam Chettiar: Telegram means cypher.

Sir Aubrey Metcalfe: That is right. When I talk of telegrams issued by my department, on behalf of another department, I am only talking about cypher. These telegrams have to be issued in cypher. There were questions asked by the Secretary of State which had to be answered in cypher. Another point I may mention is that the telegraph bill for my own department—not necessarily cypher—had very largely increased owing to His Majesty's death and the accession of the new King. Long telegrams had to be sent all over India to various political authorities instructing them as to various questions connected either with the period of mourning or with the circumstances of the recognition of the accession and so on. Also in my own department we have had, as it happens this year, a number of activities in rather distant places. One is the Burma Boundary Commission which is still going on. The arrangements for that and what is going on have necessitated a large amount of

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cypher telegrams between the Secretary of State, the Ambassador in China and, of course, the Burma Government. All that means expense. We have also had, as the House is probably aware, a mission sent from China to Kashgar and to Urumchi and then Sir E. Teichman came back to India and that necessitated a great amount of telegraphing with the Secretary of State and the Peking Legation and, in addition, we have had a mission this year to Lhassa in which, unfortunately, a Political officer died. Those are some of the main reasons why our telegraph bill has been so abnormally large. It has also been added to, not greatly but to some extent, by the necessity of obtaining information in a hurry regarding matters in which this House has been interested. We have had a certain amount of telegraphing to America for information. We have had a good deal of telegraphing to Iraq on the subject of Indians in Iraq. All these had gone to add to this bill. I have given orders that in future so far as my own department is concerned the greatest care should be taken to watch the telegraph bill and to keep it, so far as possible, within bounds. As far as we can, we use now the Air Mail, which is certainly cheaper but not particularly cheap, but I cannot be responsible for what other departments do in the way of sending cypher telegrams, all of which fall against our budget.

Mr. T. S. Avinashilingam Chettiar: It has been accepted by the Honourable the Foreign Secretary that telegram means cypher telegrams. I want to say a few words on the Cypher Bureau.

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow that. It does not arise out of this.

Mr. T. S. Avinashilingam Chettiar: It does.

Mr. President (The Honourable Sir Abdur Rahim): It is a question of policy. That cannot be discussed here.

Mr. T. S. Avinashilingam Chettiar: Then, I oppose the motion.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is opposing the amendment?

Mr. T. S. Avinashilingam Chettiar: I oppose the motion. We, in this part of the House, cannot be responsible for any telegram or any Department which forbids the appointment of Indians in that Department, and we have been told. . . .

Sir Aubrey Metcalfe: On a point of order. Surely that is a question of policy.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has already told the Honourable Member that he cannot discuss that question now.

The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,22,000 in respect of the 'Foreign and Political Department' be reduced by Rs. 100".

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Foreign and Political Department'."

The motion was adopted.

PUBLIC SERVICE COMMISSION.

Mr. K. Sanjiva Row: Sir, I move:

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Public Service Commission'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Public Service Commission'."

Examinations conducted by the Public Service Commission.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, before you put this demand to the vote, I should like to make a few observations. I notice in reading this Supplementary Demand that the expected increase is due to:

"(i) increase in the number of candidates who appeared at the examination this year;

(ii) enlargement of the list of subjects of the examination for the Indian Audit and Accounts service and allied services;

(iii) introduction of payment of honoraria to official members of the Interview and *Viva Voce* Boards for the various examinations;

(iv) increase in the number of cases of recruitment by selection in which the travelling expenses of candidates who are summoned for Interview with the Commission are paid by Government; and

(v) publication of Commission's advertisements in 15 instead of eight or nine newspapers."

Sir, I just wish to ask the Member in charge if he will inform this House what he means by item (iii)—"introduction of payment of honoraria to official members". Sir, I do not wish to introduce any question of policy here, but apart from my own opinion that these examinations are absolutely useless as tests of efficiency and should be done away with, I want to know what is the idea underlying the payment of honoraria to officers in Government employ when we have a Public Service Commission maintained at a costly price? Am I to understand that the Public Service Commission, when it holds an examination or a selection, co-opt a departmental officer who is an expert to assist them in the selection of suitable candidates? If that is the idea, then I submit for the consideration of the Government and of this House that the granting of honoraria to a Government duty is irregular. If Government imposes a series of examinations of their own free will, if Government imposes a

[Lieut.-Colonel Sir Henry Gidney.]

charge of a considerable amount of money on candidates, if these candidates have to pay for every pice of paper they write on, if they have to pay for every yard they travel in order to come to Delhi, and on the top of this the tax payer has to pay for the service of official members I fail to understand why Government should pay any honoraria to Government officers who are asked to do their duty. Apart from my absolute detestation of this system of competitive examinations for every single Government of India Department, I should like to know why honoraria are paid to Government servants.

The Honourable Sir Henry Craik: Sir, I must apologise to my Honourable friend for not having been here as I did not know that this motion was going to be under discussion. I was not aware that any cut was going to be moved. I understand my Honourable friend objects to examinations altogether.

Lieut.-Colonel Sir Henry Gidney: I am afraid I must apologise to the Honourable Member for not moving a cut; anyhow, that is beside the point; I introduced that as my personal opinion on these examinations.

The Honourable Sir Henry Craik: The Honourable Member objects to the payment of honoraria to members of the Interviewing Board?

Lieut.-Colonel Sir Henry Gidney: May I tell the Honourable Member that I did not make any objection. I asked the Member in charge to explain what these honoraria were given for and to whom?

The Honourable Sir Henry Craik: I understand they are given to persons who act as members of the Selection Boards which interview candidates. That is all the information I have at my disposal.

Lieut.-Colonel Sir Henry Gidney: Government members?

The Honourable Sir Henry Craik: Some of them are Government members, some of them are non-officials.

Lieut.-Colonel Sir Henry Gidney: Wherein, then, comes the use of the Public Service Commission who are paid high salaries for these purposes?

The Honourable Sir Henry Craik: The Public Service Commission consists of only four gentlemen and they cannot spend all their time in interviewing candidates; they have a lot of other work to do.

Lieut.-Colonel Sir Henry Gidney: But surely this is a part of their duties.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Public Service Commission'."

The motion was adopted.

FINANCE DEPARTMENT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 20,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Finance Department'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 20,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Finance Department'."

Selection of officers for training in the Finance Department.

Mr. S. Satyamurti: Sir, I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 20,000 in respect of 'Finance Department' be reduced to Rs. 100."

Sir, I move this cut in order to raise the question of the principle on which officers are selected for training in the Finance Department. I shall be very brief. We have discussed it more than once across the floor of the House at question-time, but I really want some information. I want to know whether it is the intention of the Honourable the Finance Member to train members of the Indian Civil Service in the Finance Department in order that they may gradually Europeanize that Department. Or is it because they are giving them training in order to help them in the discharge of their duties in the other spheres in which they may be usefully employed? The real point I want to raise is whether there is any intention on the part of Government to baulk the Indians of the place they have built up for themselves in the various Departments—Audit, Accounts, Finance, etc.,—and to get a new class of men who are non-Indians and saying afterwards: "we have now got trained financiers, and, therefore, they may very well replace the Indians". That is a simple question on which I hope I shall get a simple answer.

The Honourable Sir James Grigg: The Honourable Member can certainly have a simple answer on that, but perhaps I might first say, in modification of something I said this morning, that, in the interval, I have examined what has happened over the supplementary grants which were not submitted to the Standing Finance Committee. I am afraid what has happened is that the new rules which I propose to discuss with the Standing Finance Committee have been anticipated. Sir, as an illustration of one of the suggestions I propose to make, I may say, that Rs. 14,000 out of the Rs. 20,000 of this present supplementary is not an extra charge at all; it is merely a transfer from non-voted to voted. So the extra sum involved by this supplementary is Rs. 5,000 only; and one of my suggestions is that very small supplementaries of that sort should no longer occupy the time of the Standing Finance Committee. Of course I must apologize for having beaten the pistol and put the rules provisionally into operation before discussing them with the Standing Finance Committee. That is an act of incivility for which I apologize and I only plead as an excuse the pressure of work. As regards this specific head, 3(d), I think the Honourable Member is a little unnecessarily suspicious. It has nothing whatever to do with the training of officers for the Finance Department. But, in a year's time, Provincial Autonomy is to start and Provincial Governments will have a much wider range of

[Sir James Grigg.]

financial duties to perform than before; they will have to look after their own ways and means; some of them will have to look after their own borrowing, and borrowing from the market instead of from the Government of India; they will have a wider range of budgetary duties; and they will have possibly a wider range of taxation within their capacity: and so the Finance Department, in the kindness of its heart, said to Provincial Governments that for this one occasion and one occasion only, if they would like to have us train a certain number of officers for the enlarged financial duties which will fall upon them, we will do it gladly. To the best of my belief, this is a non-recurring business and it is only connected with the introduction of Provincial Autonomy. Some ten officers have been selected, and I think six of the ten are Indians: so that I cannot possibly see how in this process any question of policy as regards non-Indianization or Europeanization can possibly arise: it is only the old, old story of people believing that there must be some hidden motive in giving something for nothing. I am giving something for nothing but I now learn it does not pay.

Mr. T. S. Avinashilingam Chettiar: Sir, I should like to know whether this training is confined to the Indian Civil Service men or extends to the Indian Audit Service men also.

The Honourable Sir James Grigg: We have no control whatever over the people recommended by the Provincial Governments and the Government of India have no hand whatever in their selection. As a matter of fact most of the officers are I.C.S. officers, but not all.

Mr. T. S. Avinashilingam Chettiar: Are there Audit Service men also?

The Honourable Sir James Grigg: I do not know; Provincial Governments chose them.

Mr. S. Satyamurti: Sir, I beg for leave to withdraw my motion.

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

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 20,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Finance Department'."

The motion was adopted.

COMMERCE DEPARTMENT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Commerce Department'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

3 P.M.

"That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Commerce Department'."

The motion was adopted.

CENTRAL BOARD OF REVENUE.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Central Board of Revenue'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Central Board of Revenue'."

Mr. T. S. Avinashilingam Chettiar: The note in this blue book says that this sum is required to meet excesses due mainly to change in classification and entertainment of staff in connection with the compilation of a handbook of commercial information. May we know what that book is which is going to be published?

Mr. A. H. Lloyd (Government of India: Nominated Official): The book will be published.

Mr. T. S. Avinashilingam Chettiar: What is the book about?

Mr. A. H. Lloyd: The substance of the book is that it gives information about commercial products in India and the facilities for marketing them, especially overseas.

Mr. T. S. Avinashilingam Chettiar: Will it be published?

Mr. A. H. Lloyd: Yes. It is a revision of an earlier book that was published ten or twelve years ago, and it has become out of date.

Mr. Sami Vencatachelam Chetty (Madras: Indian Commerce): Is the book more or less on the lines of an old book published by Mr. Cotton?

Mr. A. H. Lloyd: This book is a revision of Mr. Cotton's book.

Prof. N. G. Ranga: Is it not a fact that this handbook of commercial information as it was published in those good old days was not of much use because there was really no useful information in it and the information regarding exports alone was published and there was no information regarding imports into India or about the internal trade. . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is not asking for information; he is expressing an opinion.

Prof. N. G. Ranga: I am asking for information, Sir.

Mr. M. S. Aney: The old book is going to be revised; why pursue the matter?

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Central Board of Revenue'."

The motion was adopted.

PORTS AND PILOTAGE.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Ports and Pilotage'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Ports and Pilotage'."

Mr. V. V. Giri (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, I desire to oppose this demand on the ground of the unsatisfactory administration of the Port of Vizagapatam. An instance of the point is the retrenchment of the workers that was being effected and is being effected even today.

Mr. President (The Honourable Sir Abdur Rahim): Is this demand with respect to it?

Mr. V. V. Giri: It is only with respect to that. The matter relates to Vizagapatam Port.

Mr. President (The Honourable Sir Abdur Rahim): Is this whole sum of Rs. 50,000 in respect of the Vizagapatam Port?

Mr. V. V. Giri: This is a subsidy for Vizagapatam Port. Retrenchment of the workers has been effected.

Mr. President (The Honourable Sir Abdur Rahim): Are you raising questions with respect to the general administration of the Port?

Mr. V. V. Giri: Yes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): That cannot be raised on this demand.

Mr. K. Sanjiva Row: This sum is required for payment of a grant to the Vizagapatam Port to cover the deficit in its working during 1935-36.

Mr. President (The Honourable Sir Abdur Rahim): Then, it is covered.

Mr. V. V. Giri: The policy of Government with regard to workers is retrenchment of the poor workers and entrenchment of the highly paid officers. I do not admit that retrenchment is at all necessary for the workers in the Port of Vizagapatam and even if it became necessary, in view of the fact that the Government of India do not provide for unemployment benefits, they should be careful in discharging the workers. Generally, whenever retrenchments are effected, the ordinary methods are. . . . .

Mr. President (The Honourable Sir Abdur Rahim): This is not really a ground for refusing this demand for Rs. 50,000. The Honourable Member rather wants to increase the demand, so that the workers might be re-employed. The Chair cannot allow that.

Prof. N. G. Ranga: The workers in Vizagapatam Port have approached the Port authorities to permit them to organize a Union.

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow that.

Prof. N. G. Ranga: I rise to a point of order, Sir. I want your guidance in regard to this. It is becoming increasingly difficult for us to realise in what respects and over what points we can oppose the supplementary demands. We cannot raise questions of policy on supplementary demands.

Mr. President (The Honourable Sir Abdur Rahim): There are a number of rulings on the point, and the Honourable Member had better study those rulings.

Prof. N. G. Ranga: This supplementary grant for Rs. 50,000 is asked for not for any particular kind of work that is being carried on in the Vizagapatam Port, but as a sort of subsidy for the working of the Port. I, therefore, take it that it is relevant and also permissible to say and to raise any question regarding the administration of the Port. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair has ruled that it cannot be done. Any question regarding the administration generally cannot be raised on this supplementary demand.

Mr. T. S. Avinashilingam Chettiar: May I ask in this connection what can be raised?

Mr. President (The Honourable Sir Abdur Rahim): Honourable Members can say that no subsidy is to be granted.

Prof. N. G. Ranga: How can this House be expected to know under what circumstances the subsidy is granted?

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The Chair cannot allow any further discussion.

[Mr. President.]

The question is:

"That a supplementary sum not exceeding Rs. 50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Ports and Pilotage'."

The motion was adopted.

MINES.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 4,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Mines'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 4,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Mines'."

Mr. S. Satyamurti. I just want to raise one point. I request the Honourable the Finance Member to look at page 15 where it is said:

"This is required to meet anticipated excess due mainly to (i) the fact that the lump cut for probable savings has not been realised and that the provision for leave salary has proved inadequate.

(ii) under-estimation of expenditure on travelling allowances and payment of certain arrears."

I do not think I need make any further comment on that. I do suggest that the Honourable the Finance Member, instead of sitting on us, the Members on this side of the House, he may sit on those people who advise him in these matters, and tell them to look into these things more carefully.

The Honourable Sir James Grigg: The Honourable Member knows this is exactly the sort of supplementary that ought never to have been presented and he knows that I am doing my best to put things in order. In course of time I hope to introduce improvements.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 4,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Mines'."

The motion was adopted.

PUBLIC HEALTH.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 80,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Public Health'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 80,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Public Health'."

The motion was adopted.

AGRICULTURE.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 7,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Agriculture'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 7,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Agriculture'."

Mr. G. Morgan (Bengal: European): Sir, with regard to this item of Rs. 6,43,000 for "Payments from Sugar Excise Duty to Sugar Manufacturing Provinces", we have no details as to how that has been distributed. Can a list of this distribution be laid on the table?

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): I can supply the details later on, I have not got them with me now. But I may inform my Honourable friend about the basis of the distribution; that basis is mainly the area under sugar.

Mr. G. Morgan: Shall we get the list after it is prepared?

Sir Girja Shankar Bajpai: Yes; there will be no difficulty in having one prepared. I will lay a statement on the table in the course of the next few days.

Prof. N. G. Ranga: May we know on what crops this agricultural research station at Sakrand, Sind, is expected to carry on research?

Sir Girja Shankar Bajpai: Most of the crops that we have under irrigation in the barrage area in Sind,—cotton, wheat, castor seed, and so on.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 7,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Agriculture'."

The motion was adopted.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 72,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Imperial Council of Agricultural Research Department'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 72,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Imperial Council of Agricultural Research Department'."

Prof. N. G. Ranga: Sir, I wish to oppose this motion. In view of the fact that no attempt has been so far made by the Imperial Council of Agricultural Research, in spite of my repeated requests on the floor of this House, that the peasants should be represented on all their committees I think it is only fair. . . . .

Mr. President (The Honourable Sir Abdur Rahim): There, again, the Honourable Member is discussing a question of policy.

Prof. N. G. Ranga: It is not a question of policy, but rather with regard to the administration of this Imperial Council.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss that. The question is:

"That a supplementary sum not exceeding Rs. 72,000 be granted to the Governor General in Council defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Imperial Council of Agricultural Researc', Department'."

The motion was adopted.

AVIATION.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Aviation'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 1,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Aviation'."

Mr. M. Ananthasayanam Ayyangar: Sir, I oppose this motion. The additional demand is for the pay of officers and pay of establishment, etc. I would say that this sum of Rs. 1,49,000 can be easily made up by effecting some more retrenchment in the department itself. In the original budget under "Grant-in-aid to the Indian Trans-Continental Airways Limited," we find a provision of Rs. 1,60,000. My contention is that the amount which is now being spent on the Indian National Airways, for carrying mails from Karachi to Lahore, can be economised if the route is diverted from Karachi to Delhi and then from Delhi to Lahore.

The Honourable Sir Frank Noyce: Sir, is my Honourable friend in order in endeavouring to bring in the question of the additional payment to Indian National Airways on this supplementary demand?

Mr. President (The Honourable Sir Abdur Rahim): The Chair understood the Honourable Member to say that this demand need not have been made, as the money can be found by retrenchment.

The Honourable Sir Frank Noyce: In any case, the demand for the additional payment to Indian National Airways is provided for in the budget of the coming year, and has nothing to do with the budget of this year.

Mr. M. Ananthasayanam Ayyangar: Now, Sir, on the air mail for the Indian National Airways for carrying mails from Karachi to Lahore some amount is being spent for carrying mails in general and for particular purposes. In addition to the charges that are being made for the Trans-Continental Airways, Rs. 1,60,000 is being paid by way of subsidy. I say the route might be altered, apart from the question of granting further subsidy which may be the subject-matter of a future budget, for the year under review for which the supplementary demand has been made. This might be done and this can be done. Therefore, I would say that instead of running it along the old route, instead of granting more subsidy of Rs. 1,60,000, a portion may be used for carrying mails from Karachi to Lahore. That portion can be saved. That has not been done, and, therefore, there is no justification for granting this additional amount that is now covered by this supplementary demand.

The Honourable Sir Frank Noyce: Sir, I have explained the position in this respect to the House on several occasions. I have explained to the House that there would be no saving if the mails were brought from Karachi to Delhi and were transported from there, either by surface transport or by air, to Lahore. I really have nothing to add to what I have already stated. The cost of transport from Karachi to Lahore by air, if the mails were first brought to Delhi, would be about Rs. 6 a pound. And against that the cost of transport from Karachi to Lahore is only Rs. 3 a pound. I cannot, in dealing with a question raised on a supplementary demand, go into the whole question of financial assistance to Indian National Airways. My Honourable friend had an opportunity of discussing it on the demands for grants for my department, and I should have been very happy if I had been able at that time to place the position in full before this House. I feel sure that I should have been able to convince the House of the soundness of the reasons for which we propose to give assistance to Indian National Airways. I cannot enter into a discussion at length on this subject today, especially as we are not proposing to give them any assistance during the current financial year. The grant which it is proposed to make to them will be made in the course of next year and if Honourable Members opposite want me to defend it during the next financial year, I shall be very glad indeed to avail myself of the opportunity to do so.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Aviation'."

The motion was adopted.

MISCELLANEOUS DEPARTMENTS.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Miscellaneous Departments'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Miscellaneous Departments'."

Mr. M. Ananthasayanam Ayyangar: Sir, I want to oppose the motion. The supplementary demand consists of two parts: one relates to the provision of better service than originally anticipated and it is distributed partly for Broadcasting at Delhi station, and the rest for the purpose of publishing the *Indian Radio Times* at Bombay. Now, with regard to the Delhi station, questions were asked in the Assembly about the person who was appointed for the purpose of broadcasting news.

Mr. President (The Honourable Sir Abdur Rahim): Is salary part of this demand?

Mr. M. Ananthasayanam Ayyangar: Yes, Sir.

The Honourable Sir Frank Noyce: No.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go into that question.

Mr. M. Ananthasayanam Ayyangar: I would only ask for information. What are the details of this Rs. 27,000 under "Supplies and Services"? With regard to the payment for broadcasting commercial news, a journal is published called *The Indian Radio Times*. I have received various complaints from the cotton growing districts of the Madras Presidency—Cuddappah, Kurnool, Bellary and Anantapur—that the news that they want is not such belated news which they get; it serves really no purpose. Hitherto every morning commercial news were being broadcast from Bombay showing the selling prices of cotton, and under the expectation that such news would be continued a number of receiving sets were purchased . . . .

(The Honourable Sir Frank Noyce stood up to interrupt.)

Mr. President (The Honourable Sir Abdur Rahim): There is nothing to discuss about that.

Pandit Govind Ballabh Pant: In this case, part of the demand is for meeting the extra expenditure on the *Indian Radio Times*. Is it not open to a Member to argue . . . . .

The Honourable Sir Frank Noyce: My Honourable friend, at the time when I stood up to interrupt him—if I heard him correctly and I always find the very greatest difficulty in hearing him, I am sorry to say—was asking about the broadcasting of commercial news from Bombay. That is a question which has nothing to do with the *Indian Radio Times*.

Pandit Govind Ballabh Pant: Every sentence cannot contain the words *Indian Radio Times*.

Mr. M. Ananthasayanam Ayyangar: I was only referring to broadcasting of commercial news from Bombay.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member in charge says that the demand has nothing to do with the broadcasting of commercial news from Bombay.

Mr. J. Ramsay Scott (United Provinces: European): I would like to ask one question. Is the *Radio Times* the same publication as the *Indian Listener*? The *Indian Listener* says that it is the official organ of the Indian State Broadcasting Service. This publication is not on sale in any book shop or in any book stall and is not in the Library of this House. It is very badly advertised; you cannot buy it except by sending money with the order, you cannot get it by V. P. P. Are these restrictions in the best interests of the general public and of the sale of the publication?

The Honourable Sir Frank Noyce: I can answer my Honourable friend's question in a very few words. The *Indian Listener* is, as I think generally agreed by those who know it, a very greatly improved edition of what used to be called the *Indian Radio Times*. I am sorry, my Honourable friend has had difficulty in obtaining it. I shall be very glad to have copies of it placed in future in the Library of the House . . . . .

Sir Cowasji Jehangir: . . . . and a free copy sent to each Member.

Several Honourable Members: I do not want one.

The Honourable Sir Frank Noyce: As regards the question why the *Indian Listener* is not better distributed through news agents, the answer is that the low price at which the publication is at present sold has not allowed us to offer a sufficiently attractive discount. We are raising the subscription—some Honourable Members will perhaps be sorry to hear—to Rs. 4 a year, and that, I trust, will allow us to make better arrangements for distribution. I should like to explain to the House that the whole position in regard to *The Indian Listener* is under our most careful consideration. I hope that it will not be very long before we are able to place it on a self-supporting basis, as it is desirable it should be. In the meantime, it is a valuable asset to the Broadcasting Department; it does undoubtedly arouse—and help to keep alive—a very keen interest in Broadcasting generally which should prove ultimately of the greatest benefit to the Broadcasting Department in its activities.

Mr. M. S. Aney: What about not getting it by value payable post?

Pandit Govind Ballabh Pant: May I know why this extra expenditure for additional circulation, as it is said here, is not likely to be covered by additional revenue? Ordinarily when circulation goes up, the profit increases. Here the deficit increases though the number goes up.

The Honourable Sir Frank Noyce: My Honourable friend has made a very legitimate criticism. There is an old saying that 'nothing succeeds like success': that is not always true, since very often success brings with it unexpected difficulties. And the unfortunate fact in this case is that contracts which were suitable for a small paper with a small circulation and a small advertisement revenue have not proved suitable for a paper whose circulation has gone up in the course of, I think, about eighteen months from 3,000 to 13,000 or so. As my Honourable friend, Pandit Govind Ballabh Pant, said, ordinarily extra expenditure for increased circulation should be covered by additional revenue but that, unfortunately, has not proved to be the case here. When we got past the 10,000 mark, it was found that entirely different arrangements had to be made for the paper and the cost went up; increased circulation meant a much more expensive organisation, more expensive machinery, I imagine, and general enhancement of costs. That is the position. The contracts which were entered into were such as suited a small paper. They have not proved suitable for a greatly enlarged paper. As I have explained to the House, we are going into the whole question of the arrangements to be made when the contracts expire, and we hope that it will not be long before we get the paper on a self-supporting basis.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Miscellaneous Departments'."

The motion was adopted.

CURRENCY.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 4,55,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Currency'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 4,55,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Currency'."

The motion was adopted.

MINT.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 6,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Mint'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 6,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Mint'."

The motion was adopted.

CIVIL WORKS.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 5,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Civil Works'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 5,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Civil Works'."

The motion was adopted.

STATIONERY AND PRINTING.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,36,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Stationery and Printing'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,36,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Stationery and Printing'."

The motion was adopted.

MISCELLANEOUS.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 13,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Miscellaneous'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 13,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Miscellaneous'."

Prof. N. G. Ranga: Sir, here is an item of expenditure amounting to Rs. 36,000, on "Tariff Board". Before I begin to make my remarks, I would like you, Sir, to help me in regard to one matter: is it competent for me to talk about the terms of reference to this Tariff Board? This is the first time it is placed before us.

Mr. President (The Honourable Sir Abdur Rahim): No; not the terms of reference.

Mr. M. Ananthasayanam Ayyangar: On a point of information, Sir, in respect of item X—Loss by exchange on remittance account—Rs. 10,68,000—I would like to know whether if the exchange had been at Rs. 15 to the £ what difference it would make, whether it would be in favour . . . . .

Mr. President (The Honourable Sir Abdur Rahim): What does it matter? Does the Honourable Member want to discuss the question of exchange?

Mr. M. Ananthasayanam Ayyangar: I know I cannot discuss it. I want information as to whether by the present rate of exchange we have to pay more than we would otherwise have to.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member knows that as well as any one else.

Mr. S. Satyamurti: I wish to raise a point of order, Sir. If you will kindly turn to page 32 of this book of supplementary demands, it is stated there—Rs. 36,000 for Special Commissions of Enquiry; and you will find on page 34, note (a):

"This is required to meet excess due to the appointment of voted officers as President and Members of the special Tariff Board which has been constituted to make recommendations on the extent of protection required by the Indian Cotton Textile industry against United Kingdom exports. The non-voted provision made in the budget has been surrendered."

Therefore, Sir, for the first time, the vote of the House is being asked on this Commission of Inquiry, and I submit the House is entitled to know what the terms of reference are, why it has been appointed; and unless it is satisfied . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member means that there is no provision in the budget?

Mr. S. Satyamurti: There was a non-voted provision . . . .

Mr. K. Sanjiva Row: Sir, in the original budget for the whole provision there was a non-voted portion and there was a voted portion. The voted portion has proved insufficient, and, therefore, we are coming up for a supplementary grant.

Mr. S. Satyamurti: I am asking for information. I quite agree, if there was any provision in the original budget under this head for this special commission of inquiry, *viz.*, Tariff Board for protection as against British textiles, I am concluded from raising it again. I want information on that matter.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member wants to know whether there was a votable item.

Mr. K. Sanjiva Row: Yes, there was a votable item in the current year's budget for the Tariff Board.

Mr. S. Satyamurti: I want to know whether there was provision for the special Commission of Inquiry referred to in note (a) on page 34, that is to say, the appointment of voted officers as President and Members of the special Tariff Board constituted to make recommendations on the extent of protection required by the Indian Cotton Textile Industry against United Kingdom exports. I want to know if there was provision for it.

Mr. K. Sanjiva Row: The position is that there is provision in the budget, voted as well as non-voted, for a Tariff Board. Any particular inquiry can be referred to that Tariff Board, and as the House knows very well, the President and some of the members are appointed *ad hoc*. So, so long as provision exists for the Tariff Board, I do not think this can be treated as either a new service or a new item of expenditure. This is only a substitution of a voted provision for a non-voted provision.

Mr. S. Satyamurti: I am grateful to the Honourable Member, Mr. Sanjiva Row, for his information. He admits that the provision in the original budget for this year was made for a Tariff Board. For the first time . . . . .

Mr. President (The Honourable Sir Abdur Rahim): There was no other Tariff Board?

Mr. S. Satyamurti: They got a general provision for a Tariff Board, and they appoint *ad hoc* tariff boards. They have come to us now for the first time asking the House to vote for a special tariff board, that is to say, for the special inquiry referred to in note (a) on page 34.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member means there was no such item in the budget?

The Honourable Sir James Grigg: I think the Honourable Member is mixing up the detailed head with the main head called Special Commissions of Inquiry. That is a general head which appears in the budget every year, and one of the sub-heads of that is the Tariff Board. Both the head and the sub-head are old.

Mr. S. Satyamurti: I am simply surprised at the Honourable the Finance Member objecting to this demand being discussed. I do appeal to him to consider the matter seriously. He talks of parliamentary control. We are trying to get a vote of the House on an intelligent appreciation of the reasons and of the terms of reference behind this Tariff inquiry. For the first time, Sir, we are told about this Tariff Board, about the pay of the officers, their establishments, travelling allowance and so on . . . . .

Mr. President (The Honourable Sir Abdur Rahim): Very well, under the circumstances now disclosed the Chair allows the Honourable Member to proceed.

Prof. N. G. Ranga: Mr. President, I am glad that in spite of the opposition, at long last you have been persuaded to let us talk about the terms of reference of the Special Tariff Board and the textile industry. Again and again I raised this point at question time in order to understand as to why it was that the handloom industry was not included in the terms of reference to this particular Tariff Board. No cogent reasons were advanced at all by Government for this particular omission. This Special Tariff Board, Sir, according to its terms of reference, was expected to inquire whether the present protective rates are needed or whether any reduction is justified in the interests of Lancashire, and this Tariff Board has been busy for a very much longer period than the period for which it was originally appointed to inquire into this particular point. But, Sir, I would like to submit for the consideration of this House that in the interests of the Lancashire industry as well as the cotton mill industry of this country, the handloom weaving industry has been neglected. And if any protection is given to the cotton mill industry in this country it does not necessarily follow that the handloom weaving industry is also benefited by it and if the cotton mill industry were to be in any way conditioned in its ability to get protection from the State, it does not necessarily follow that the handloom weaving industry also stands to lose to a similar extent. I wish to state emphatically, Sir, that the interests of the handloom weaving industry are to a very great extent entirely opposed to those of the cotton mill industry in this country. The Honourable Member for Commerce has himself had to admit that the distress now prevailing amongst handloom weavers in Southern India is to some extent caused by the competition of the cotton mill industry with the products of the handloom weaving industry, but yet neither the Government nor the cotton mill owners would admit that when they try to discuss the relations between the cotton mill industry in this country and the industry in England, the interests of the handloom weaving industry are likely to be affected, and, therefore, the handloom weaving industry should be helped and given an opportunity to present their grievances before the Special Tariff Board. Till now, no Tariff Board has ever been appointed, either special or ordinary, to inquire into the needs of the handloom weaving industry, and the means by which the handloom weaving industry could be assisted. It was as an afterthought that the Government of India thought of raising a subvention of five lakhs in the interests of the handloom weaving industry by imposing a duty upon every pound of yarn produced in this country, and even that the cotton mill industry in this country were most unwilling to accept. Even today they grudge to make any more concessions to the handloom weaving industry when we suggest to them that this particular subvention should be trebled or quadrupled, if not more . . . . .

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): Why do you ask Government? We are your really "*Mabaps*".

Prof. N. G. Ranga: It is true that there is a cotton mill industry here which, whenever it goes up to the Government of India for protection, never thinks of the handloom weaving industry. They never thought what was going to happen to the handloom weaving industry when they asked for more and more protection against Japan; they never thought of the cotton growers or of the handloom weavers in this country when they approached the Government of India for protection to the cotton mill industry . . . . .

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): Millowners are very selfish.

Prof. N. G. Ranga: They have always been so. I, therefore, suggest, Sir, that the Government would only be doing justice to the handloom weaving industry if they were to direct this Tariff Board, at least at this late stage, to try to pay special attention to the needs of the handloom weaving industry also, and to ascertain to what extent the handloom weaving industry can be helped by a proper adjustment of the import duties over the cotton imports into this country.

Lastly, Sir, I wish to suggest, for the consideration of this Government, that they should try to give as much protection as possible to the handloom weaving industry, and the first preference should be shown, if any protection were to be given at all, to the handloom weaving industry, and then only the claims of the cotton mill industry should be considered, because, Sir, all this time the cotton mill industry has benefited by special protective duties, whereas the handloom weaving industry has been sacrificed. I do maintain that the competition between the goods produced by the handloom weaving industry and those produced by the cotton mill industry is keenly felt all over India, and to such an extent that there is widespread unemployment amongst handloom weavers. Sir, it must be remembered that whereas the cotton mill industry gives employment to about six lakhs of people, the handloom weaving industry gives employment to one crore of people at least, and this is an estimate made by various Government officials in this country. And, in the Madras Presidency alone, there are 15 lakhs of people employed in the handloom weaving industry, and 15 lakhs are certainly more than twice as many as those who are being maintained by the cotton mill industry in this country. It is also true that in addition to the unemployment already existing, there is what is known as under-employment amongst handloom weavers, and, Sir, many of them are not able to get even Rs. 12 per month. That is the family income. Is it not fair, therefore, that these people should be given preference first and then only the case of the cotton mill industry be considered? Sir, for these reasons, unless Government gives us a satisfactory answer in regard to their attitude towards the handloom weaving industry in this country, this House will be justified in throwing out this particular demand.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, with great respect to the Honourable Member who has opposed this demand, I fail to see how, in the terms of reference to this particular Tariff Board, any reference could possibly have been included to the handloom weaving industry. As the House is aware, this Tariff Board is inquiring into only one particular matter, and that is the range of duties necessary to give adequate protection to the textile industry as against the products of the United Kingdom. Now, Sir, it must be within the recollection of the House that, when the questions to which the Honourable Member has made reference were put, the specific complaint was that the handloom weavers were suffering from competition from Japan and also from the Indian cotton mills. There was not the slightest suggestion,—and I do not think it was an omission,—as a matter of fact, there can be no suggestion at all that the handloom weaving industry is in competition with the products of the United

[Sir Muhammad Zafrullah Khan.]

Kingdom. Therefore, this special Tariff Board's activities being limited to that particular inquiry,—it does not matter how you may have framed the terms of reference,—you could not have brought the handloom weaving industry into the picture at all.

Prof. N. G. Ranga: You can get yarn cheaper.

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member's complaint resolves itself into this, why have you not set up another Tariff Board to enquire into something else that he has a grievance about? On that score he cannot object to a supplementary demand with regard to the Tariff Board that was set up. It was in pursuance of an obligation undertaken and that obligation Government had to discharge.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): In this limited term of reference, whether the protection is enough for Indian cotton textile industry, the Indian cotton textile industry I hope and trust includes the handloom industry. It is not the mill industry alone, and, as a matter of fact, in the last enquiry of the Tariff Board on Indian textile industry, they have given a chapter on the handloom industry.

The Honourable Sir Muhammad Zafrullah Khan: I do not deny that. But I have tried to explain that there is no allegation, whatsoever, that the handloom industry products are in competition with the products of the United Kingdom. If the whole question was being generally considered, no doubt the handloom industry also would have to be considered.

Pandit Nilakantha Das: In this enquiry, too, the handloom industry may be included, and in that case, some provision may be made, or some method may be adopted so that along with the Indian mill industry the handloom industry also may be protected.

The Honourable Sir Muhammad Zafrullah Khan: Against what?

Pandit Nilakantha Das: Against foreign countries.

The Honourable Sir Muhammad Zafrullah Khan: But this Tariff Board has nothing to enquire into with regard to other countries; it is making an enquiry only with regard to the United Kingdom.

Pandit Nilakantha Das: Yes, against the United Kingdom as well, for our handlooms use counts more than 50; generally our best handloom cloth is 80, 90, 100 or 120 counts, and so, against the United Kingdom the handloom industry requires to be protected.

The Honourable Sir Muhammad Zafrullah Khan: This is the first time I hear of it.

Pandit Nilakantha Das: And in this limited term of reference that may be included and some instruction may be issued definitely to this effect.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 13,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Miscellaneous'."

The motion was adopted.

MISCELLANEOUS ADJUSTMENTS BETWEEN THE CENTRAL AND PROVINCIAL GOVERNMENTS.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 8,57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936 in respect of 'Miscellaneous Adjustments Between the Central and Provincial Governments'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 8,57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936 in respect of 'Miscellaneous Adjustments Between the Central and Provincial Governments'."

The motion was adopted.

REFUNDS.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 30,43,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936 in respect of 'Refunds'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 30,43,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Refunds'."

The motion was adopted.

DELHI.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Delhi'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 1,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Delhi'."

Neglect of Developed Areas.

Mr. M. Asaf Ali: Sir, I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,69,000 in respect of 'Delhi' be reduced by Rs. 100."

[Mr. M. Asaf Ali.]

My only excuse for rising at this late stage to inflict myself upon the attention of the House is that Delhi does not possess a local Legislature where a demand like this might have been properly discussed. In fact, the only Legislature that Delhi possesses is this very Legislature; the local Legislature of Delhi has been super-imposed upon by the Indian Legislature. It is really the case of the tail wagging the dog, and I want the tail to wag the dog today. As it happens, in this demand I find that there is a sum of Rs. 25,000 . . . . .

Mr. President (The Honourable Sir Abdur Rahim): What is the Honourable Member discussing now? The grievances of Delhi? What does the Honourable Member want?

Mr. M. Asaf Ali: I want more money.

Mr. President (The Honourable Sir Abdur Rahim): The Chair rules it out of order. The motion is out of order.

Mr. M. Asaf Ali: May I say a word?

Mr. President (The Honourable Sir Abdur Rahim): No, not on the motion.

The question is:

"That a supplementary sum not exceeding Rs. 1,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Delhi'."

The motion was adopted.

AJMER-MERWARA.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 63,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Ajmer-Merwara'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 63,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Ajmer-Merwara'."

The motion was adopted.

ANDAMANS AND NICOBAR ISLANDS.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Andamans and Nicobar Islands'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Andamans and Nicobar Islands'."

The motion was adopted.

ADEN.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Aden'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Aden'."

The motion was adopted.

COMMUTED VALUE OF PENSIONS.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Commuted Value of Pensions'."

4 P. M.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Commuted Value of Pensions'."

The motion was adopted.

INTEREST FREE ADVANCES.

Mr. K. Sanjiva Row: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 12,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Interest Free Advances'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 12,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Interest Free Advances'."

Pandit Govind Ballabh Pant: I will take just a second. In the book on Supplementary Demands, on page 46, (a) at the bottom says.

"This (2,12,000) is required mainly to meet the grant of advances made by the Bihar Government to brick burners in connection with earthquake reconstruction."

I want to know whether this amount is meant entirely for these brick burners or whether interest free advances are also to be made to others. If they are to be made to others, then who are those lucky people?

Mr. K. Sanjiva Row: This particular item refers to advances to brick burners.

Pandit Govind Ballabh Pant: Then, why "mainly"?

Mr. K. Sanjiva Row: Because there are several advances under this big head, such as advances to Government servants, etc.

Pandit Govind Ballabh Pant: That is what I want to know.

Mr. K. Sanjiva Row: When Government servants are transferred from one place to another, they are given a small advance which is adjusted later on. Then there are certain other advances under this head such as Revenue advances', to revenue officers for fixing boundary stones and so on.

Pandit Govind Ballabh Pant: What portion then of this 2 12,000 is meant for the brick burners?

Mr. K. Sanjiva Row: I have not got the exact figures.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 12,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Interest Free Advances'."

The motion was adopted.

RAILWAY BOARD.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I move:

"That a supplementary sum not exceeding Rs. 29,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Railway Board'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 29,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Railway Board'."

The motion was adopted.

AUDIT.

Mr. P. R. Rau: Sir, I move:

"That a supplementary sum not exceeding Rs. 78,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Audit'."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 78,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Audit'."

The motion was adopted.

WORKING EXPENSES—MAINTENANCE OF CARRIAGE AND WAGON STOCK.

Mr. P. R. Rau: Sir, I move:

"That a supplementary sum not exceeding Rs. 20,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Working Expenses—Maintenance of Carriage and Wagon Stock'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 20,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Working Expenses—Maintenance of Carriage and Wagon Stock'."

Lieut.-Colonel Sir Henry Gidney: I see that Pandit Pant has got an amendment on this demand but he has not moved it. I would like to ask the Honourable Member to inform this House how much of this charge for the maintenance of carriage and wagon stock includes repairs to saloons supplied to officers. It is a rather difficult question. I know, but I want to ask the Honourable Member to tell this House how much of this money is being used for the repair of saloons. Saloons are supplied liberally on State Railways as compared to Company-managed railways. I am not going to touch on the policy underlying this question. This granting of saloons in my opinion is a financial luxury and extravagance. Why even the Prime Minister and Cabinet Ministers of the British Government are not supplied with saloons.

The Honourable Sir Muhammad Zafrullah Khan: If that is not a question of policy, what is it?

Lieut.-Colonel Sir Henry Gidney: I have specialised my remarks on saloons and their repairs. I wish I could deal in detail on the policy.

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member should direct his remarks to the maintenance of carriage and wagon stock.

Lieut.-Colonel Sir Henry Gidney: I am doing so. If the repairs referred to in this demand do not include saloons, I sit down. If they do, I stand up.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member wants to know how much of this money is being spent on repairs to saloons, if saloons are included in this item.

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member seems to think that saloons are included in this item and that he is, therefore, entitled to criticise the policy of supplying saloons to officers

Lieut.-Colonel Sir Henry Gidney: That is mere flight of your imagination.

Mr. President (The Honourable Sir Abdur Rahim): I understand the Honourable Member wants to know how much of these working expenses goes towards the maintenance and repairs of saloons.

The Honourable Sir Muhammad Zafrullah Khan: In reply to questions in this House, it has been stated that no separate account is kept for saloons.

Lieut.-Colonel Sir Henry Gidney: Sir, my question remains unanswered. I ask how much of this expenditure goes towards repairs to saloons. I think it is an absolute luxury, a waste of tax payers money and I think this House should inform the Railway Board that this waste should be stopped. You will then reduce your expenditure on repairs to wagons and coaches. We know what an enormous sum is spent on the maintenance of these saloons, the magnificent glass and crockery maintained in them, in shunting them and attaching to trains and so on. Every young officer, even a D. T. O. gets a saloon, especially on the North Western Railway and other State Railways, whereas the concession is given very sparsely in Company-managed railways and that is why the State Railways do not pay. Sir, I am trying to impress upon the Railway Board that by supplying this luxury to all officials on State Railways they are not only depriving the travelling public of accommodation but the tax payer of his money. It is unnecessary to expand on this point, Sir, and this is all I have to say, except to add that saloons are not meant for sleep and comfort but for work.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 20,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Working Expenses—Maintenance of Carriage and Wagon Stock'."

The motion was adopted.

TEMPORARY WITHDRAWALS FROM DEPRECIATION FUND.

Mr. P. R. Rau: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 2,64,09,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Temporary Withdrawals from Depreciation Fund'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That a supplementary sum not exceeding Rs. 2,64,09,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Temporary Withdrawals from Depreciation Fund'."

Mr. S. Satyamurti: Sir, I rise to oppose this motion. I shall be very brief. I am simply amazed at the courage of these railway people coming along and saying: "Well, we will borrow more than Rs. 2½ crores from the Depreciation Fund". They do not even feel ashamed about it. There is no spirit of apology about it. These gentlemen are the most insolvent part of the Government of India. They owe us Rs. 50 crores, and also Rs. 800 crores of the Indian tax-payer's money are invested in the Railways; and there is no prospect of their paying off their debt, and then they come along and say—"we will steal from the Depreciation Fund". (Laughter). Sir, what will be left of it two years' hence? Now, I will give you some staggering figures. In 1913-14 the railway mileage was 32,600. In 1934-35, it was 38,300. In 1913-14 the whole capital at charge was only Rs. 485 crores. In 1934-35 they have bloated themselves out to Rs. 847 crores—a criminal folly for which they would be shot in any other part of the world—and yet they have the effrontery to come here and say: "allow me to steal some more of your money". Sir, in 1913-14 their staff was only 6,33,000. In 1934-35 it was 6,70,000—a small increase. And what do you think was the salary bill? In 1913-14 it was Rs. 14 crores, in 1933-34 it was Rs. 35½ crores! (Here, hear.) Sir, they are highway robbers! They go about stealing other people's money, and then they say they must be paid Rs. 35½ crores as their salary bill, and now they quietly come along and say: "let us take Rs. 2,64,09,000 as a loan from the Depreciation Fund". Whenever I ask my Honourable friend any question, he refers me to the Government of India Act and says that: "that will be for the Railway Authority when it comes": now do you know what is going to happen? You will be wiped out . . . .

The Honourable Sir Muhammad Zafrullah Khan: I may be wiped out before.

Mr. S. Satyamurti: I am talking of the Railway Member officially. The Railway Member will be wiped out of this House. There will be no responsibility to this House of the Railway Authority to come and the Governor General will act in his individual discretion.

The Honourable Sir Muhammad Zafrullah Khan: What has that to do with these Rs. 2 crores and 64 lakhs?

Mr. S. Satyamurti: It has everything to do with this. The point is this,—the Governor General can write down the capital at charge in his own individual discretion.

The Honourable Sir Muhammad Zafrullah Khan: I quite understand what the Honourable Member is saying but I do not understand the relevance of it to a supplementary demand.

Mr. S. Sataymurti: The tragedy of it is that the Railway Member does not understand the relevancy of railway finance. (Hear, hear.) You want to run the railways, you lose crores of rupees, and when we point all that out, you do not understand the relevancy of it—that is the misfortune!

Mr. President (The Honourable Sir Abdur Rahim): All that was discussed on the Railway Budget.

The Honourable Sir Muhammad Zafrullah Khan: The Federal Railway Authority has nothing to do with this year's budget.

Mr. S. Satyamurti: My friend, it has everything to do with it! The Railways are not paying. What is going to happen is that the Indian taxpayer is going to be made to pay his full interest and sinking fund charges on Rs. 800 crores of debt, but the Railway Authority may get off with Rs. 400 crores of that debt. That is my complaint. The last point I want to make is that when the Bengal and North Western Railway was asked to be bought, my friend hesitated . . .

Mr. President (The Honourable Sir Abdur Rahim): That has nothing to do with this.

Mr. S. Satyamurti: No, Sir. If that railway is bought, they will get six per cent. on it.

Mr. P. R. Rau: That won't reduce the deficit for the current year.

Mr. S. Satyamurti: I am thinking of some time in the future also. Sir, our friends are so anxious to seek your help, because they cannot get any help from us. Is that the way of dealing with this question? I suggest we should view this question from the broader point of view and deal with it accordingly, and they should not go about merely asking for some protection from the Chair.

Mr. President (The Honourable Sir Abdur Rahim): The Railway Budget was really the occasion for such a discussion. The Honourable Member then made his speech and in a very full speech explained the railway position and he did say that there would have to be a temporary withdrawal from the Depreciation Fund. This is not the time for going over all that again.

Mr. S. Satyamurti: And the result of all that is that they can now come over and ask for a withdrawal of Rs. 2½ crores from the Depreciation Fund. Sir, I object to that.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is entitled to object to it and throw it out.

Mr. S. Satyamurti: My only point is that the Railway Member and his assistants do not seem to understand the financial aspects of the working of the railways. We are losing heavily, Sir, and I do not think we ought to allow them to remain on in the comfortable position of *not* paying any interest, of borrowing recklessly from the Depreciation Fund, and paying themselves Rs. 33 crores every year.

Sir Cowasji Jehangir: Sir, I should like to ask one question. There is this temporary loan of Rs. 2 crores 64 lakhs. According to the Railway Budget you will have a balance of Rs. 11·81 crores in the Depreciation Fund. Is this 2 crores 64 lakhs a further inroad on that 11 crores 81 lakhs?

Mr. P. R. Rau: May I explain, Sir? Rs. 11·81 crores is the anticipated balance at the end of 1936-37. This 2 crores 64 lakhs is the amount that we shall require to withdraw in 1935-36 and the balance at the end of 1935-36 is expected to be Rs. 8 crores 97 lakhs.

Sir Cowasji Jehangir: According to your Budget at the end of 1936-37 the balance would be Rs. 11·81 crores?

The Honourable Sir Muhammad Zafrullah Khan: At the end of 1936-37 it is expected to be 11 crores 81 lakhs—after taking this away and adjusting it in the next year's accounts.

Sir Cowasji Jehangir: After taking this away, adding 13½ crores to the Depreciation Fund *minus* what you spend on improvements and renewals, you will still have 11 crores 81 lakhs?

The Honourable Sir Muhammad Zafrullah Khan: Yes. This has been allowed for in the Budget already.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 2,64,09,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1936, in respect of 'Temporary Withdrawals from Depreciation Fund'."

The motion was adopted.

THE INDIAN FINANCE BILL.

The Honourable Sir James Grigg (Finance Member): Sir, I beg to move:

"That in clause 2 of the Bill, the following be omitted, namely:

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if with effect from the 1st day of April, 1936, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

Sir, in form this is an amendment to restore the salt duty which was excised by this House, but it seems to me that this is a convenient place for me to deal with the recommended Bill as a whole and with the issues which arise in consequence of the recommendation. Sir, I do not need of course to say more than a sentence or two in describing what the Bill purports to do or what the amendments which I am moving purport to do. It means that the Government are unable to accept the views of the Assembly either in regard to the excision of the salt duty or in regard to the lowering of the postcard rate but that they accept the vote of the House in regard to the postage rate on newspapers. (Hear, hear.) Of course the reversal of the two major votes of the Assembly and the acceptance only of the minor one (Hear, hear) is bound to raise at once the whole issue of the proper limits of responsiveness. There have recently been two pronouncements on this subject and I may perhaps be allowed to read them. This is from my Honourable friend, Sir Cowasji Jehangir's speech, on the 19th March. He says:

"Mr. President, so long as I have been a Member of this House, I have always tried my best to see that after the cuts I have voted, the Finance Member still had sufficient to pay for all the demands that would be made upon him. And when this side of the House does that, we do expect that our opinions and our wishes shall be respected by Government so far as they possibly can'."

[Sir James Grigg.]

The last words are very important qualifications:

"That is the present Constitution under which we work. Because the right of certification has been given to Government it does not mean that, because they disagree with us on any retrenchment we may suggest or any relief that we may require, they should not meet us. They have to be satisfied that we have given them ways and means to carry out the duties imposed upon them and they shall then meet our wishes. That is how I look upon the Constitution under which we work and that is how I look upon the power of certification given to Government. Under these circumstances, Sir, we look forward to the next few days with the hope and with the faith that Government will act up to the principles I have just enunciated".

Then, Sir, there was a speech two days ago by Mr. Jinnah and perhaps I may be allowed to read a short extract from that speech as well:

"Sir, I hope that they will not take it into their heads that because we have made so many cuts and, therefore, whether it is a good one or a bad one, whether it is supported by a definite strength or not, they must apply the bludgeon clause and certify the whole lot. I had made it quite clear that we reduced the Executive Council grant to one rupee on the principle of refusal of supplies. That does not mean that I was trying to readjust or remodel the budget. It is purely a constitutional question based on constitutional principles. We have cut down the military grant by four lakhs. That again was not done to readjust or remodel the budget. But it was done with a view to express our dis satisfaction and condemnation of the military policy as a whole. Therefore, Sir, when we have come to the realm of budget in the Finance Bill, all that we have done is that we have passed a vote that the expense of Quetta should be transferred from revenue to capital. That is one thing we have done. The second thing we are going to do now is to reduce the price of the postcard. These are the two things that the House has decided with regard to your budgetary proposals."

There is a small omission of the excision of salt duty, but I pass over it.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I did not support the cut on the salt duty. I was speaking for myself.

The Honourable Sir James Grigg: He continues:

"I ask the Government through you, Sir, whether they think that our proposals are so unreasonable do they think they are so monstrous that they ought to be certified. The other day, I said, that the Government did not meet the wishes of this House on any first class issue. I do not put this in the category of a first class issue. I make it quite clear that this is also a very important matter on which administrative action is required on the part of the Government. This is in your hands, that is to say in the hands of the Executive Council and not in the hands of the Government of India as I defined it",

—that means, I think, the Executive Council *plus* the Secretary of State.

Mr. M. A. Jinnah: And the Parliament.

The Honourable Sir James Grigg:

"This is entirely in the hands of the executive Government. Are you going to meet us? Are you going to show that you are amenable to reason, that you would meet the wishes of the House and that this House can influence you? It is for you to decide and show it."

Mr. M. A. Jinnah: You have shown it just now.

The Honourable Sir James Grigg: I have read the extracts from these two speeches because they do include in them a one-sided statement of the issues which are now to be placed before the House. But here, let me for a moment digress and take up Mr. Jinnah's statement that there are no first class issues on which the Government have acted in accordance with the wishes of the Assembly. I have here, Sir, Vol. I of the Memoranda submitted to the Indian Statutory Commission by the Government of India and I would like to read a paragraph from page 71 of that Report:

"Mention has already been made of some matters on which the Legislature expressed its wishes by means of Resolutions and Government took action accordingly. Notable instances are the adoption of a policy of discriminating protection, the statutory recognition and regulation of trade unions, the repeal of special laws and the Press Act, the constitution of unified bars of High Courts, of an Indian Territorial Force, and of a Royal Military College, the withdrawal of the excise on cotton and the restrictions on exports of food grains, the recognition and regulation of communal representation in the services and the association of Standing Committees of the Legislature with Departments of Government. The influence on the administration which the legislature has brought to bear through its Committees will form the subject of a later paragraph of this note and reference will there be made to the numerous special committees which have, in consequence of Resolutions of the Legislature been appointed to consider particular questions of administration. This is a very common method of giving effect to a Resolution. Other matters in which the Government have accepted the recommendations made in a Resolution are the purchase of stores, female franchise, the position of Indians overseas, martial law administration in the Punjab, the prevention of overcrowding in railway carriages, pilgrim traffic, the protection of Dera Ismail Khan against erosion and the establishment of a school of Mines. Similarly a Resolution materially affected the attitude of Government towards the problem of the administration of Aden. But in a considerable number of cases the only action possible was to communicate the terms of the Resolution to provincial Governments and in some cases a similar communication was made to the Secretary of State. In this way Government has given full effect to 37 and part effect to 36 non-official Resolutions passed in the Assembly. The corresponding figures for the Council of State are 32 and 24.

In 32 cases, however, in the Assembly and 19 cases in the Council of State Government have found themselves unable to give effect to Resolutions. It was not within the power of Government to obliterate the distinction between the votable and non-votable expenditure, to surrender the power to secure the necessary legislation or to accelerate the revision of the constitution. A duty on imported coal was found to be uneconomic and it was administratively undesirable to permit certain persons to return to India, to release others from prison, to repeal the Bengal Regulations, to remove the Santhal Parganas from the category of backward tracts and to submit broad classes of contracts for the approval of the Chambers. It would have been an invasion of provincial authority to prescribe generally a policy of prohibition, to enquire into Sikh grievances in the Punjab, to answer in the Indian Legislature questions on purely provincial matters and to interfere with the leave of the provincial service officers.

It will be clear from these instances that it is by no means infrequent for the Chambers to seek to invade spheres of administration, Central or Provincial, which are not their proper field. More extreme instances of this tendency are the Resolution that a Committee of the Council of State should examine the present distribution of Portfolios among the Members of the Council of the Governor General and should make recommendations and the Resolution in the Legislative Assembly that rules should be framed to ensure that no action, administrative or legislative, is taken on the reports of Commissions or Committees until the Legislative Assembly has considered them. Government indeed accepted the latter Resolution after omission of the reference to rules and the insertion of the words limiting its operation to practicable cases, and there have been other cases in which Government have not been rigid in insisting on the maxim that Parliament does not administer."

Mr. M. S. Aney (Berar Representative): May I just ask what is the relevancy of this to the present Bill?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member explains that the Honourable Member, Mr. Jinnah, complained that the Government did not respond to the wishes of the Assembly on any first class issue. I understand the Honourable Member is trying to show that that is not a correct statement.

Mr. M. A. Jinnah: I never said that on the debate on the amendment of the salt duty. All I said is this when I was speaking on the postcard that here is an issue which I consider is not a first-class issue as I have defined; but nevertheless it is important and it can be done by the Executive Government. That is all that I said, but I am quite prepared to meet this debate if it is going to be raised though totally irrelevant.

The Honourable Sir James Grigg: I have nearly finished this. As I said, this debate and the action of Government raises the whole question of the proper limits of responsiveness, and that is what I am dealing with.

"For instance, Government agreed that statutory modifications by the Local Government rendering certain provisions of the Assam Labour and Emigration Act inoperative would not be withdrawn without consulting the Assembly, and have also welcomed interest in the construction of the New Capital and the purchase of stores. But in establishment questions, with which particularly in Railway administration there is some proneness to interfere, the influence of the legislature has not been allowed to make itself felt."

Sir, there are other quotations, which I do not propose to read but merely to refer to, on pages 77 and 78 of the same volume. That deals with the position up to the time of the Simon Commission. Since then, I can think of other instances which I may just mention in passing. I think at the instance of the legislature Government set up a Central Banking Inquiry Committee; it also set up advisory committees on retrenchment; it took action in introducing a revised classification of prisoners; it set up committees to examine the Ottawa agreement; it imposed a duty on broken rice; and I think I am right in saying that it was at the instance of the legislature that it imposed a duty on wheat.

Sir, to my mind, though perhaps that mind is apt to be unduly reminiscent of the state of affairs in the United Kingdom—but incidentally the British constitution is about the only workable democratic constitution in the world at present—it seems that so far from being totally unresponsive the Executive in India in its desire to temper the full rigour and reproach of irremovability has allowed and even encouraged the Legislature to encroach on its functions to an extent which may very easily prove to be extremely embarrassing to the executives of the future constitution. However, that is only my personal opinion, and as both I and the existing constitution have a very limited tenure, I will not attempt to develop that particular question at length. But I would like to say that the reason the English constitution works better than any other constitution in the world is because the respective spheres of the Executive and the Legislature have become more clearly understood by process of time than anywhere else in the world.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): No, it is not that but because Government can be thrown out of office.

The Honourable Sir James Grigg: I will come to that.

In any Constitution, I would say that there are three pre-eminent spheres where the Executive must, broadly speaking have the last word, if Government is to be carried on not only successfully but carried on at all. The first is defence, the second is law and order, and,—I would say, —the third is finance. In these spheres where policy and administration are inextricably mixed, where the Executive cannot, from the very nature of things with which it is dealing, involving as they do a great deal of secrecy particularly in regard to future intentions, where the Executive cannot, I say, share more than a part of its knowledge with the outside world, it must carry out fully and sincerely its responsibilities and not throw them at the head of the Legislature. In these spheres the safety and/or stability of the State are at stake; and in these spheres there is an inescapable obligation on the Executive to take long views, and in pursuance of those views to use whatever powers the constitution confers on them. And perhaps I may here quote a passage from the report of the Joint Select Committee of 1919. It is a short passage the object of which is to prove what is sometimes denied in this House and in this country that the special powers were intended to be used:

"For reasons which prompted their rejection of the process of certification by a Governor General to a grand committee in a province, the committee are opposed to the proposals in the Bill which would have enabled the Governor General to refer to the Council of State, and to obtain by virtue of his official majority in that body, any legislation which the lower chamber refuse to accept, but which he regards an essential to the discharge of his duties. The committee have no hesitation in accepting the view that the Governor General should in all circumstances be fully empowered to secure legislation which is required for the discharge of his responsibilities. But they think it is unworthy that such responsibility should be concealed through the action of a Council of State specially devised in its composition to secure the necessary powers. They believe that in such a case it would add strength to the Government of India to act before the world on its own responsibility."

Now, to return to my argument about the inescapable responsibility of the executive in the spheres of defence, law and order and finance. In the financial sphere I submit that this inescapable responsibility means that in all major matters the executive must be prepared to persist in its views, though in matters of detail where any question of principle arises it should be ready to meet the wishes of the Legislature. The question then boils itself down to what are major matters of policy and what are matters of detail. For my part I should class as major matters those which materially affect the structure of the budget and those which raise important matters of general principle. There is, I imagine, no difference of opinion here that the abolition of the salt duty is a major matter; the newspaper postage rate is quite obviously a matter of detail. There would probably be agreement that the method of financing the Quetta reconstruction raises an important matter of general principle, though there is clearly a difference of opinion as to what that principle is. However, on the basis which I have been working of the inescapable responsibility of the executive, we say that the principle is to pay as you go whenever you go and not to place upon posterity the burdens of our expenditure if we can possibly help it. And we think this principle of such importance that we are exercising our constitutional right of the last word.

I now come to the postcard. Mr. Jinnah says that it is not a first-class issue. We take the contrary view. Perhaps,—and I apologise for my being a little too reminiscent,—perhaps I may draw again on my

[Sir James Grigg.]

experience in another country and my association with a large number of British budgets, and give some account of what are there regarded as major issues. The total tax bill in the United Kingdom is some 700 or 800 millions. Every year during the passage of the Finance Bill through the House of Commons the Chancellor of the Exchequer must expect to have to make certain concessions; and,—I am here speaking from experience,—an individual concession rarely costs more than a 100 thousand a year, and in the aggregate concessions in any one year practically never amount to as much as half a million pounds. Making allowance for a much smaller scale of the Indian budget the comparable figures would be for individual concessions a lakh a year, and for the total concessions during the passage of any one budget of the year, of 5 lakhs. But the postcard concession would cost 50 lakhs a year and the comparable figure to that in England would be of the order of 5 millions a year. Now certainly, it would be unthinkable for any Chancellor of the Exchequer to accept an amendment of this magnitude, and, in any case, surely, it is clear without any argument that a concession of Rs. 50 lakhs a year is of material moment to a budget of eighty crores. In the case to which I referred last year on a similar occasion to the present, my predecessor invoked the special powers of the Governor General in respect of a cut in revenue of Rs. 65 lakhs, and if the message from His Excellency last year recommending the Finance Bill is looked at, it will be seen that the executive clearly regarded amendments of the order of half a crore a year as major matters.

There is another argument I would like to mention. If there was available a margin of Rs. 50 lakhs, it would quite clearly be the duty of the Government on their own initiative and, in their original budget, to bring forward proposals for dealing with a surplus of that amount. If there is not, there is, I submit, an absolute obligation upon the Government to resist amendments which, however desirable in themselves, cannot be financed out of the general budget or, as in this case, which cannot be financed either out of the general budget or the postal budget.

Sir, it will be said in this debate in fact it has already been said by way of interjection that the English analogy is incomplete and that the Indian Executive is irremovable. That is, of course, true, but in a very few years the situation will have completely changed, and Indian Ministers will be subject to removal by the Legislatures. When that time comes, it will probably be found- and here I am indulging in a prophecy—that the Legislatures will be more careful about pressing amendments which will unbalance budgets if for no other reason than that the votes of Members will carry the implication that they are themselves ready to take up the burden which they make it impossible for the others to carry.

Sir, I beg to move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in clause 2 of the Bill, the following be omitted, namely :

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if with effect from the 1st day of April, 1936, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): Mr. President, I rise to oppose the amendment. I am conscious that though the amendment, in form, merely relates to the restoration of the duty on salt, the object of the Mover of the amendment is to point out to this House that there is no alternative before it except to accept or reject both of these amendments. That is the invitation he has held out, so I shall not attempt to distinguish between the two amendments though in form they may be put separately. The position is—and I am glad that Sir James Grigg has raised it—that the executive is now becoming more and more conscious of having to explain to this House the somewhat obdurate attitude, and what I still maintain and hope to prove within a few minutes, the irresponsive attitude which they have adopted towards the Legislatures which they have set up. I do not go to instances of history over many years, for it is far simpler, and, I think, far more direct and honest to have regard to the short period of time during which he and I have had experience. During that period I cannot think of any legislative or executive measures in which the Resolutions of this House or the rejections by this House of any of the motions or any of the Bills have not either been certified or recommended, and, thereafter, certified again. May I remind the House, Sir, that commencing with the Indo-British pacts and ending with the certification of the Criminal Law Amendment (1932) Bill, which is now made permanent, there is no measure of any consequence whatever on which the alleged responsiveness has been met, and I, therefore, realise why you have got to go to the past in order to cover and expiate your sins. But we are here to deal with the sins of the moment and not the alleged merits of their ancestors, and they can hardly claim any credit for what their ancestors occasionally did in a lucid interval of sanity. It is, therefore, this chronic disease which we are here to combat, whether or not we succeed in curing it. It is not possible for the Honourable the Mover of this motion even to pretend that during the period of the last two years any of the wishes of this House, as expressed in their votes, have been met by them. All that they have done is that they have shown indignation, and, with the consciousness of weakness, used language of an arbitrary character. Fortunately, I have escaped that situation this year. I have neither become "an Oracle" nor have I become "one who does not understand anything at all", because it is one or the other category in which I was put on two of the previous occasions last year. This year I have escaped unscathed.

The fact remains that it was open, both constitutionally and otherwise, to Government to accept one or the other of the two measures with which these two amendments deal. I quite agree—and I am here free to admit —that so far as the question of the abolition of the salt duty was concerned it might have been a difficult matter to adjust but I must remind the House and also the Honourable the Mover that the Leader of the Nationalist Party made it quite plain that if there was any progressive proposal for the abolition of what we conceive to be a most oppressive tax, perhaps I would not be speaking in the present oppressive atmosphere, both physically and morally. But the fact also remains that under the inescapable sense of what they call duty—I do not know whom they wish to escape, I think the first person they ought to escape is themselves for the simple reason that it is their vicious selves—for they imposed upon themselves the impossibility of seeing themselves as others have seen them, or seeing the points of view as others would have seen them, though it

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is the money of others which they are here to extract and to spend. It is from that point of view, I think, that the inescapable duty in this case ought to have paid regard to the possibility and indeed in this case almost the certainty of adjustment in so far as the relief to the poor man in the shape of the postcard is concerned. And inasmuch as the British constitution has been mentioned and inasmuch as the value of this House has been mentioned, I wish to call attention to a speech which was made in the year 1899 by Mr. Dadabhoy Naoroji as to the then condition of the Indian Legislature and the Indian executive. And I hope to show—and in fact it would not require many words to show—that though thirty-six years, nearly thirty-seven, have passed since, though forms have changed, expenses have been added, ornaments have been added, so far as the Government of India is concerned, in its essence it has still remained the same; and if it remains the same, that inescapable sense of duty also nonetheless remains the same. Sir, Mr. Dadabhoy Naoroji contrasted both the British and the Indian Legislatures in their respective powers, both in the matter of legislation and in the matter of executive authority. This is what he said:

"There existed Legislative Councils in India, and it was generally believed that those Councils gave to the Indian people something like what they in England enjoyed in the way of representative Government and that by those means the people of India had some voice in their own government. This was simply a romance. The reality was that the Legislative Council was constituted in such a way as to give to the Government a complete and positive majority".

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

It is perfectly true that undoubtedly there is the manipulation which is referred to here which has yielded to time and circumstance; but what with other circumstances which I will not detail, the power of certification the romance still continues. He continues:

"The reality was that the Legislative Council was constituted in such a way as to give to the Government a complete and positive majority: the three or four Indians who had seats upon it might say what they like, but what the Government of India declared was to become law, did invariably become the law of the country".

Is not that true of the last year or last year and a half we have been here?

"To take for instance the question of expenditure—when a budget was brought forward in the House of Commons, members went on contesting it, item by item, for six months—they saw that their constituents' interests were properly protected, and that the Government took no advantage of their power. Of course, in the British Parliament also, the majority had the final word; but whereas in that case that majority was subject to the people and could be turned out by them, in the Indian Legislative Councils the majority, instead of being given by the people, was managed and manipulated by the Government itself".

—manipulated, as it is even done today—

"But matters are even worse than this. The expenditure of the revenues was one of the most important points in the political condition of any country, but in India there was no such thing as a legislative budget. The representative Members had no right to propose any Resolution or go to any division upon any item concerned in the budget, which was passed simply and solely according to the despotic will of a despotic government".

—as it is in some cases now on votable items, far too few compared with the 80 crores of the collective budget. That is the description which he gave of the Government in the year 1899, and I find myself unable to distinguish it, notwithstanding a few oasis in the great desert to which attention has been drawn in the Simon Commission's Report. Then, he goes on:

"The Natives of India had not the slightest voice in the expenditure of the Indian revenues and the idea that they had was the first delusion on the part of the voters of England which he wished to correct. It would be seen in what an absurd position the so-called Native representatives of India were placed. In the expenditure of the revenue they had, as he had explained not the least voice, but when the time came for the imposition of taxes they were quite welcome to impose what taxation they could upon their countrymen. Yet if they did impose additional taxes these countrymen blamed them, while, if on the other hand they resisted any particular Bill of taxation the Government officials turned round and said: 'These Indians seem to think it possible to govern a country without revenue', and this they made an argument against the capacity of the Natives to take an adequate part in the government of their country. The Legislative Council was simply and solely, he declared, a delusion and a farce".

And, I am here, Sir, to point out that if their doing is going to be what it has been invariably during the last eighteen months, no other adjective and no other noun can describe the position in which we stand today, notwithstanding the fact that the elected Members may have multiplied twenty times in number: the actual situation in its reality of the constitution under which we are, or the one to come, is no different so far as the position of India in the Central Government is concerned. We have been deceived by forms and by analogies of different kinds; but when it comes to the substance of the matter, out of the 80 crores, most of the items are non-votable, a few votable items being considered and cut down and their restoration made: the position is no different today, notwithstanding the great show which has been maintained. We might well be spared, many of us at all events who can keep themselves usefully occupied in other spheres of life if we are going to find that this is all the effect and the responsiveness which we can evoke, on the part of those who believe in their inescapability of themselves. Sir, I will read a few more words, and the condition and the picture is complete:

"The Legislative Council was simply and solely, he declared, a delusion and a farce, and its working constituted a worse despotism than was ever exercised by any native ruler even in the old days. An Oriental despot, when he misgoverned, acted, so to speak, like a butcher, and people were astounded and horrified; this new despotism of civilisation rather resembled a murder effected by a clever but unscrupulous surgeon who drew all the blood from his victim while leaving scarcely a scar upon the skin".

This is a true picture drawn some 37 years ago of the manner in which this country has been governed. We have had undoubtedly two Government of India Acts, thereafter—Acts which are said to enlarge the liberties of this land, and I wish you to realise to what extent our liberties have been enlarged. Undoubtedly, it is true to say that the liberties of this country under the regime with which at all events I am familiar recently have been suppressed at every point and at every turn. So far as expenditure is concerned not a single voice has been heard. We have been here entertained to a few witticisms, a few sallies, a few quotations, but we have never been treated in the manner in which, if this constitution is to go on at all, we ought to be treated. The time has now

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arrived when, notwithstanding these platitudes, they must realise that this inescapability must either become responsive or my countrymen at all events ought not to remain in the snare and under the deception that their liberties are being enlarged, that their freedom and powers are being enlarged, that they are getting a due, real or anything like an adequate share in the government of their country or in the expenditure of their money. Sir, I oppose. (Opposition Cheers.)

Mr. M. A. Jinnah: Sir, in the first instance, I deeply regret that the Finance Member should have brought in this issue of what the Government have done in ages past. May I draw the attention of the Finance Member and of the Government of India to what I said on the motion to reduce the Executive Council demand? Perhaps he is so busy that I think he has missed the point, and burned his midnight oil over the Simon Commission report, to which I have a very complete answer. But why go into it when that question is not raised? What I said was this:

"But, Sir, when we have failed in any influence being felt, when we have failed in every advice that we have given and when we have exhausted every avenue, every channel, and, at the end of the year, we stand *vis a vis* the Government as Opposition, have we not got to give our verdict at the end of the year?"

I was not thinking of the past ages, where you have done great services to India. Why rake up all these old controversies? Do you think that you can honourably get a verdict in a court of law in your favour? Why raise it? I confined myself purely to the year since I have had the honour of coming here and trying to place before you my views and my advice. I said, at the end of the year what do I find? I find that you have utterly failed to respond, and, therefore, there is no other course open to me and the only course is to express my extreme disapproval and so I refuse supplies, which is only a fiction. If that is going to have any effect on you, if you think that that has shown to you that there is extreme dissatisfaction on this side of the House, are you going to reconsider your position or not? Are you going to change your attitude or not? I cannot express it in any other way.

Now, Sir, I am told that we have done many things in the past; and the Simon Commission Report is read out *in extenso* by the Finance Member. Let me tell you I am fully aware of all this. I have been myself associated with this Legislature, with few interruptions for very short periods of course, since 1910, and let me tell you if you like something about your discriminating protection. Are you proud of it? Is this your boast? Have you really met the wishes of the people of this country? As I said the other day that, when the Government have got absolutely no friend left in this country, when they feel that there is nobody to support them, they find out some formula, and what is that formula? 'Very well, protection of course, but it must be discriminating'. And many of my countrymen fall into the trap, and they say they have got the protection, but our friend, the John Bull, says: "Remember the word 'discriminating'. How have you played with that word 'discriminating'!" Well, Sir, you may sit here and boast and talk as much as you like, but I venture to say that if you had forced that policy of discriminating protection on any other country, in the way in which you have played with it in this country, believe me that the people

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of that country would not have allowed the Government to remain in office for 24 hours. It is because you are irremoveable, it is because you can play with it as much as you like here, it is because you are all-powerful, you could coerce our businessmen, you could threaten them with all sorts of dire consequences, and in the name of discriminating protection you started driving in the wedge of Imperial preference straightaway. ("Hear, hear" from Opposition Benches.) And, what did you do last year, and that is what I am concerned with most. What did you do last year? You entered into an Indo-British Agreement which this House rejected, and notwithstanding the verdict of the House, you ratified it. Is that policy of yours in the best interests of India? Is that agreement really in the interests of India? I say, if you have any conscience, you cannot stand here at the bar of this House and say that that agreement, which you have ratified notwithstanding the verdict of this House against it, is in the interests of India. That is your discriminating protection.

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

Now, let us take another, the excise duty. Well, is there any Honourable Member here who knows anything about the history of it and who will not be ashamed of it? I say it was the biggest blot on your administration and on your Government in this country, and you get that removed after 30 years, and you say that that was a response to the Legislature.

Now, let us take the Press Act. Where is it now since last year?

An Honourable Member: They had repealed it for a time in their lucid moments.

Mr. M. A. Jinnah: I quite agree with my friend over there that in your lucid interval you did repeal the Press Act. (Laughter.) I am not quarrelling with that, but I may tell you quite frankly, as far as I am concerned, it is not a matter of such great importance. After all, if you repealed the Press Act, you gave the newspapers a chance. Very well, what happened? The British Empire was not going to totter; it did not. For a time the Press Act remained repealed, and when you found, rightly or wrongly, that the newspapers were abusing you too much and you thought you could not stand all that, you thought of re-enacting the Press Act. . . . .

The Honourable Sir Henry Craik (Home Member): The Legislature.

Mr. M. A. Jinnah: My Honourable friend, the Home Member, says the Legislature. I know the Legislature sometimes does it, of course I quite agree. My friend does not seem to appreciate my point. I am not now dealing with the question whether the Legislature did it or not. That was not my point at all. I did not want to go into the history of the dark ages from the start of the British rule in this country right up to today and assert on the floor of the House that there was no first class issue on which you have ever met us. Why put that into my mouth and then try to argue and then look absurd? But when you point out the few things that you have done, surely I am entitled to have my say. You raised this issue now, I did not raise it. I am now pointing out to you, therefore, that the repeal of the Press Act was not a matter of life and death.

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Then, let us take the other,—constitution of the unified bars of the High Courts,—a first class issue, according to you. Well, Sir, the Honourable the Finance Member, it seems to me, would like this country to remain as utterly savage and uncivilized as possible, and that no institutions of any kind in this country should be established which will help this country at all. And if he does establish one little institution here or there, it is, according to him, a first class issue. And says he: "We met that issue". Do you believe really that the constitution of the unified bars of the High Courts is a first class issue? Do you really honestly believe, I do appeal to Government to say whether it is a first class issue?

Then, let us take another—the Indian Territorial Force. (Laughter.) There, again, Sir, I had some little share in it in pleading before the bar of this Government. I say it was my misfortune to plead before this Government. I have got grey in pleading before the bar of this Government that has neither a heart, nor a soul, nor a capacity to understand. I urged in this House over and over again, and if I get an opportunity next year, I am going to put something before it again, in regard to the Indian Territorial Force. I have said, Sir, that if the Government are honest, if they believe in nationalising the army in this country, then one of the most important things that they have to do is to build up the territorial force, and that is a second line of defence. After many debates, after much opposition, after many controversies and many difficulties we were able to extract from an unwilling customer to say: 'Very well, we will try it, we will start the Territorial Force'. Here is Mr. Tottenham. Ask him what have you done? I think he will say: 'Oh, I cannot get suitable material in this country'. What effort have you made to get suitable material? How did you try? It remains a moribund, nebulous, worthless sort of institution. It has got nobody to help, it has got no mother, no father, leave alone the Government of India, at its back. That is your territorial force.

Let us take the next one. The Royal Military College. Well, Sir, I have no hesitation in saying that, if at any time, on any question, we were deliberately deceived and defrauded, it was on this question; there is no other question over which we were so deliberately deceived and defrauded. What did you do? You appointed a Committee. I pleaded before the bar of this Government and after a great deal of discussion they appointed a Committee—the Skeen Committee. What happened? Unanimous report, a most modest report. If that scheme had been carried out, we could have only got half the number of officers Indianised in the officer ranks in 50 years. Again, Sir, I was fortunate enough,—at that time there was the Congress Bench also, the Congress Party was here, sometimes I find them also difficult. (Laughter.) When I went to them, they said, "This is all camouflage. Fifty years! Half the number to be Indianised! When will the Indian army be Indianised then? In how many years? No, no. We cannot agree". Again I pleaded before the bar of the Congress and I persuaded my friends and they said, very well. The House practically unanimously was in favour of the Government accepting the Skeen Committee's report. Did you do so? You did not. All sorts of excuses, all sorts of grounds were put forward. Naturally, that question could not die, it went on and on. This was in 1926 and

1927. Then we went to the Round Table Conference. How we were deceived there is well-known to those who have understood or followed the proceedings. We wanted the Defence Committee of the Round Table Conference to fix the number. And if from that day, that is the year 1930-31, if the British recruitment in the Indian Army proper was stopped and all the vacancies were to be filled up by Indians, it was admitted that it would take 35 years. They said, "We shall not do that". Then they said, "No, no. We cannot fix the number." Who is to fix the number? They had a resolution that it should be increasingly Indianised or something to that effect. I forget what the words were. And again, I must say that some of my countrymen were satisfied with that, and they were told—remember this, here comes the deception and the fraud. They were told that it would be the business of the Committee which would be appointed in India and they would determine and fix the number, or as to what the number should be. When that Committee was appointed in India, the Commander-in-Chief said to that Committee: "This is not within your jurisdiction, or within your purview, to consider the question of the number". So, we were told in London by the Defence Committee of the Round Table Conference that the Committee would be appointed in India dealing with the question of Indian Sandhurst that would decide and fix the number. When you come here, you are told that this Committee has not power to decide. And who decided the number? Heaven alone knows. I suppose the Government of India had to announce, and so they did as to the number that was decided upon and fixed. This is your Military College policy. May I go on? It seems to me it is an utter waste of time, I will close this book for the moment, and I present it back to the Honourable the Finance Member. (Laughter.) Sir, I was really confining myself to a very simple narrow point. So all this is beside the point. I was taking stock of the annual work of this Legislature when I was supporting the cut for refusal of supplies. I said then, you have not cast us on any first class issue. Now, Sir, with regard to this amendment, I would like to know from the Honourable the Finance Member whether it is still open to me—I would like to know because that will affect my decision as to how I should vote on this recommended Bill—whether it is still open to me to ask—whether any distinction is going to be made between Salt and Postcard, because, as the Finance Member knows, I did not support the amendment excising the salt duty, and I think I made a point of it in my speech in supporting the postcard cut—that you have to take into consideration, not only the vote of this House, which, of course, is always important, because it is the decision of the House, but you have also to take into consideration under the constitution under which we are working, the strength behind that vote. The salt tax reduction I do not support. It has been a mystery to me how Government lost, because I think they can at a given stretch command more than 41 votes. (Laughter.) Anyhow, evidently, they did not consider that, a first class issue perhaps, so they did not care very much and they got beaten. But whether they are beaten or whether they are not, they have got the certification behind them, so it does not matter. May I say I do not support the salt tax amendment even now? I say, if the Governor General says, "I recommend", that was my recommendation also. (Laughter.) I failed. The Governor General recommends it. I accept his recommendation and I would appeal to my friends to accept this recommendation, but what about the postcard? That recommendation of the Governor General, Sir, I am unable to accept. I do not

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think I shall waste the time of the House any further, but I shall ask one question. Is it still possible—I see under the law and the rules it is possible—the Governor General says, "You have made two cuts. I am going to certify, or rather recommend, and if it is not accepted, I will certify". Supposing I was to say to the Governor General, "All right, I am willing to accept your recommendation as to salt but not as to the postcard". Will the Honourable Member consider that question or not? If he says: "No, even if you accept the salt recommendation, I will not accept the postcard", then I must oppose this amendment. (Applause.)

Sir Cowasji Jehangir: Mr. President, this is the first time in my experience in a Legislature, either Provincial or Central, that the Finance Member, at the very tail end of a discussion on the budget, has raised a first class Constitutional problem and question, and I would be failing in my duty if I did not attempt to say a few words to try and convince him how misconceived were his ideas of the present constitution under which we are working. He tries to compare it with the British constitution. He seems not to be aware of the past history of this country and of the reasons that actuated the great statesmen in England who were the authors of the constitution under which we are working. He seems to be completely ignorant of the proceedings that took place in England in 1917 and 1918 when this constitution was brought into existence. He seems not to have even an elementary knowledge which ought to have been possessed by anybody coming to India in the position of a member of the Government of India. Sir, the constitution under which we work is not as explained by the Finance Member. It was the deliberate intention of the authors of the constitution under which we work to give to the Opposition the right and the privilege of changing the budget and it was their intention, expressly put down in black and white in the Joint Select Committee's report of those days, that the Government should accept those recommendations unless they find it impossible to do so.

Now, I come to our suggestions put in the form of cuts which have been turned down. I did not support the salt cut and do ask that that should not be made an excuse for certifying everything that we suggested. That is a pure and simple excuse, a camouflage known to the Finance Member and every one of the Honourable Members on the Government Benches. It is not incumbent upon Government under the Act to certify the whole of the budget, if there is one part which they find it impossible to accept. I readily admit that it would be impossible to accept the cut in the salt tax of eight crores. I readily admit it, and I would be the first to advocate its certification. I would be the first to advocate certification but don't make that an excuse for certifying a cut which involves a loss in your revenues of 50 lakhs of rupees. Then my Honourable friend justifies the restoration of the cut of 28 lakhs from the revenues, which was the House's verdict on his policy of financing Quetta from revenue. We saved 78 lakhs for revenue and we asked for a relief to the extent of 50 lakhs. Now, Sir, judging from the spirit of the Government of India Act, under which we work, could the authors of it have ever contemplated that if the Opposition were deliberately of the opinion that a certain city should not be built out of revenue but should

be built out of capital, that they should be defied? Did the authors of the Constitution mean that? I honestly and sincerely believe that the Finance Member by his speech today has done greater disservice to his country and to the Empire than any Finance Member has done. He has proved what Mr. Bhulabhai Desai tried to point out that notwithstanding the Act of 1919 and the reforms, there has been no advance in the constitution of this country since 1899, because the Finance Member has put forward the argument that if he disagrees with us on any question such as whether a certain undertaking should be financed from capital or from revenue, he has the right to defy us as the Constitution gives him the right to certify and restore. I challenge that statement, and I would like to put it to the bar of Parliament. What does it do further? Has the Finance Member realised the implications of his words? I have had some experience in the drafting of the Act of 1935, and I have had the privilege of discussions with statesmen in England, statesmen in the proper sense of the word. What is the implication of his speech today—that the safeguards that are inserted in the Bill of 1935 will be used in the same spirit as the powers of certification are being used today. Will any English statesman in England accept that implication? May I ask him whether the late Lord Reading would have accepted that implication? I ask an Honourable Member on the Government Benches, Sir Zafrullah Khan, who was a member of the Round Table Conferences all along? His lips are sealed, but I dare say that when he gets an opportunity of expressing his views on the constitutional aspects of the case he will try and teach his Honourable colleague to be a little less rash in propounding theories of the kind he has propounded today. Sir, I was staggered at the speech and the implications of the speech. I could understand his saying: "I propose to certify the 50 lakhs" and keeping quiet, but when he went on and tried to argue that he was right that this 50 lakhs was comparable with 5 millions in an English budget, then it became evident to me that his ignorance was deplorable. He may smile and laugh. He will learn in a few years' time that the analogy is deplorable because we have been told in England, during the last five years, that the Act of 1935 is going to give us some powers and we have been told by men who were the authors of the 1919 constitution under which we work as to how they intended it should be worked. As to the long quotations which he gave from the Simon Commission report, my friend, Mr. Jinnah, has dealt with that. Does my Honourable friend, the Finance Member, mean to say that all administrative action taken by the Government of India during the last fifty years was taken only under the inspiration and under the challenge of a Legislature, and if there had been no Legislature, the Government of India, on its own initiative, would have done nothing? Is that the implication that he wishes us to draw from the quotations he gave from the Simon Commission's repot? Does he mean to say that all the things he read out were done by the Government of India merely at the suggestion of the Central Legislature? Is that what he wants us to believe? Do Government want us to believe that? Do Government mean to tell us that they do everything, because there is a Legislature to goad them into it.

The Honourable Sir Nripendra Sircar (Leader of the House): Please accept our decision.

Sir Cowasji Jehangir: I will accept your decision with great pleasure outside the House when we have a chance of discussing it face to face, but I know very well that any expression of opinion or any decision given by the Law Member as Law Member in the House may be different to the decision and the opinions of the Law Member outside the House. (Hear, hear.)

The Honourable Sir Nripendra Sircar: I will give it outside.

Sir Cowasji Jehangir: Now, Sir, are we to believe that everything that the British in India did for the benefit of India was only done because there was a Legislature to push them into it? No. I am not going to insult the Honourable Member's predecessors in the way he has done. (Laughter.) Sir, the Government of India did many a good thing for India, without being goaded into it and without pressure from this Legislature. Sir, to point out these things does not help us. Coming back to the Budget proper . . . . .

The Honourable Sir James Grigg: Hear, hear.

Sir Cowasji Jehangir: We contend that, judging the spirit of the Constitution, it is the duty of the Government of India to accept suggestions made by a majority in this House if it is possible for them to do so. Thus, I contend it is possible for them to agree with us that Quetta can be financed, or should be financed, out of capital. I consider it is possible for them to reduce the cost of the postcard. I consider, Sir, that, by accepting those two proposals, the finances of this country are not jeopardised. (Hear, hear.) I consider that the credit of this country will not be jeopardised, and I still put the construction that I did in the quotation that the Honourable Member made from my speech on the constitution that, if we make any suggestions, however Government may disagree with them in theory they should accept them, provided they are convinced that they will not do the country any financial damage, provided they are convinced and agree that they will not in any way shake the credit of the country

The Honourable Sir James Grigg: I have not agreed.

Sir Cowasji Jehangir: How have you not agreed? You mean to tell me that the credit of the country will be shaken if you finance Quetta out of revenue?

The Honourable Sir James Grigg: Yes, in the long run.

An Honourable Member: Why bother about him? Go on.

Another Honourable Member: The country cannot have much credit then.

Sir Cowasji Jehangir: Does he mean to tell us that the effect of all the actions of his predecessors has been to shake the credit of this country? Let him remember, Sir that the great credit of this country has been built by his predecessors and not by him (Hear, hear), and that the names of Blackett, Schuster and others will always be remembered in this country,—and it was Schuster who suggested, and it was Blackett who suggested that such things should be financed out of capital.

An Honourable Member: They were all wrong!

Sir Cowasji Jehangir: Sir, we have not derived all these ideas on finance from our imagination. It is knowledge that we have acquired from great English financiers who have come to this country,—great financiers who live in England today, and it may be that like parrots we simply repeat them here. Let me admit that, but for the Honourable Member to come and tell me now that everyone of his predecessors was wrong,—his great predecessors who really built up the credit of this country,—that he alone by his own methods is going to enhance that credit, is absurd, and let me tell him that I most respectfully beg to disagree with him. Sir, I contend again that the proposals we have made regarding postcards and the sources of revenue we have suggested are legitimate and that if our proposals are refused, it is defying the spirit of the Constitution under which we work by putting a wrong interpretation on it; and let my Honourable friend go to those in England . . . .

An Honourable Member: Stop there let him go. (Laughter.)

Sir Cowasji Jehangir: Don't be so cruel, let him live and learn for five years; I am certain, he will be a first-class Finance Member after a year or two, he has got the makings of a great Finance Member, he has got honesty, which is a great thing, but let him change his views on the Constitution under which we work, and do not let him believe that it is his duty to defy us, on the contrary it is his constitutional duty to accept our verdict, and let him remember that he is defying the spirit of the Constitution and slandering the authors of the present Constitution by the speech he has made and by the defiance he has tried to show us. (Loud and Prolonged Applause.)

Mr. President (The Honourable Sir Abdur Rahim): The Chair is prepared, if the House so desires, to sit for another half an hour if the debate is going to be concluded.

An Honourable Member: We would like the debate to be finished if that is possible.

Some Honourable Members: Yes, yes.

The Honourable Sir Nripendra Sircar: I should like, Sir, if I get the chance, to speak just for ten minutes.

Mr. M. S. Aney: Sir, I confess I was considerably surprised at the audacity with which the Honourable the Finance Member introduced in his speech the plea of responsiveness. He wanted to plead, as a matter of fact, that this Government has been responsive and in support of that plea of responsiveness he cited long quotations from a condemned document, the Simon Report (Hear, hear) and a forgotten document also. Sir, I would not like to go over the ground and give a detailed reply to that plea of responsiveness, as my Honourable friend, Mr. Jinnah, the Leader of the Independent Party, as well as my Honourable friend, the Leader of the Opposition, have conclusively shown what degree of responsiveness the Government of India have shown, not only during the last year, during the time that we have been sitting here as legislators and

[Mr. M. S. Aney.]

arguing with them, but during all the time that they have been in this country as rulers. Sir, if there is one universal complaint against thi Government of India it is this: it is not only irresponsible in law bu it is irresponsive in nature and action also. That is a standing complain and a complaint which can be borne out by the entire history of Britis rule in this country. If the Honourable Member wanted this House t consider his most outrageous measure in a spirit of reasonableness, h should have at least shown the discretion not to have introduced the ple of responsiveness, at this time particularly as he is again coming u before it with a Bill which tramples upon the opinion of this House. H should have known some better way of introducing this measure and h should also have adopted a different tone. Sir, a measure like this, recommended Bill of this nature, in my opinion does not raise so muc the financial question as the very constitutional question itself; and m Honourable friend, Sir Cowasji Jehangir, has dealt with that aspect als to a considerable extent. What is the ultimate constitutional powe which enables the Government of India to come forward with a recom mended Bill of this nature? It is the power of certification under whic they come in here.

An Honourable Member: The power of the bludgeon.

Mr. M. S. Aney: I want to tell Honourable Members on the Treasur Benches that the extraordinary power of certification is, like "discriminat ing protection", the power of discriminating certification and not arbitrar certification, it is not given to His Excellency the Governor General i the constitution under which we are working now, for the purpose o arbitrary certification. It is not a power which is given to the Governo General in Council that it should be exercised arbitrarily and that it i to be exercised without any discrimination.

Mr. President (The Honourable Sir Abdur Rahim): Is the Honourabl Member criticising the action of the Governor General?

Mr. M. S. Aney: I am trying to explain the constitution under whic we are working. I am explaining the constitutional position itself Therefore, when my Honourable friend, Sir Cowasji Jehangir, said that Bill like this even under the present constitution is indefensible, I thin he was perfectly right in saying so. A recommended Bill of this nature as I have already said, thus raises a very important constitutional ques tion. The Bill is again to be looked at as a whole. My Honourabl friend, Mr. Jinnah, put one or two questions with a view to elicit fro the Treasury Benches some explanation, but they were immoveable, the did not open their lips at all. In spite of such leading questions a whether it was open to them to reconsider the position with regard t postcards if this House were to accept the recommendation of th Governor General on salt duty, in spite of such a leading question, th Treasury Benches kept quiet, and made no reply. When I made m speech on the amendment relating to the salt duty, I made it perfectl clear and I had distinctly stated that I would not vote for the amend ment, if there was the slightest indication on the part of the Financ Member and of the Government of India to accept the principle whic

was underlying the amendment, namely, that this was a repressive duty, that it was operating harshly on the poor man and if while accepting such a principle they were prepared at the same time to work up to the formula of total abolition of the salt duty, and meant to make a small beginning now or immediately as circumstances would permit. Therefore, the Government should have taken the vote on the salt duty recorded by this House for the total abolition of that duty more as a matter of protest on principle than as a matter of financial reduction in the budgetary proposals before them. If they took it in that spirit, then the only thing that was before the Government of India to consider was as regards the decisions arrived at by this House regarding the reduction of rates on postcard and the cut that was carried as regards the transfer of the fund for the rebuilding of Quetta from capital to revenue charges. These were the considered suggestions of the House which the Government ought to have considered. Now, in defence of the measure which the Honourable the Finance Member has introduced now, he has enunciated before the House some new principles. He is trying to make a distinction between a major reduction and a minor reduction. What is the exact test regarding a reduction being a major one or a minor one? All that, he has left to himself to define without quoting any authority to show what is a major reduction and what is a minor reduction. He is a law unto himself and he wants us to accept his word as authority. I submit that in a budget of more than 80 crores, a cut of 50 lakhs is a minor reduction according to the opinion of those who sit on this side of the House. It is not a major reduction at all. There have been occasions even during the last few years when the Government of India have accepted to work up to a total reduction of revenues amounting to several crores by having an annual reduction of more than 50 lakhs. We know how the Government of India, when they wanted to accept the policy as regards reduction in the Revenues from Opium, went on reducing their revenues from year to year and ultimately it came down to a total reduction of seven or eight crores within a period of a few years only. So, when there is a policy which the Government of India want to carry out, even if it entails an annual reduction of 50 lakhs or more for a series of years, the Government of India had willingly done that provided they had not a deficit budget but a surplus budget. In that way, the Government of India have proceeded before and they never shirked their responsibility in the matter on the ground that it was a major reduction and that they could not accept that policy at all.

The question is this, whether the Government of India are prepared to regard a vote of this House as sufficiently binding upon them or not. That is the main point. If they have got a real sense of responsiveness on which my Honourable friend, the Finance Member, waxed so eloquent in the introductory remarks of his speech, if they have got real responsiveness, I think today they have a golden opportunity which they should have taken advantage of. They would have shown that in view of the coming reforms, in view of their earnest desire to create an atmosphere in this country of mutual goodwill and harmony and concord, in view of all these things, and in view even of their desire to create a better situation for provincial autonomy, they would have said, "we do want to meet the wishes of the Assembly in this matter and as an earnest of that desire, we accept this small cut of 50 lakhs carried for the sake of giving postal facilities to the poor". To turn down a suggestion of the House

[Mr. M. S. Aney.]

like that and to come forward with a recommended measure is to tell the House, "we have no regard for you, gentlemen, we shall do as we want to, your opinion or decision counts for nothing, we shall reject it if it does not suit us, and we shall accept it only when it serves us". As we all know, it is very seldom that our opinions suit the Treasury Benches. The only thing left for us is to receive a rebuff of the nature which is embodied in the present recommended Bill.

One word more and I have finished. I want to impress upon the House that the significance of a measure of this nature should be properly understood by the House. Even a most reasonable suggestion made by the Assembly, leaving aside the other suggestions, even a suggestion which has been carried by perhaps the largest vote ever recorded this Session is turned down by the Government ruthlessly. We cannot take it lying down, and, therefore, it is necessary for the honour of the House that every self-respecting Member of the House should vote against the amendment and the recommended measure. With these remarks I oppose this measure. (Applause.)

The Honourable Sir Nripendra Sircar: Sir, I propose to be very short, I really intend to deal with the point which was made by my Honourable friend, Sir Cowasji Jehangir. After describing in very polite language the lack of elementary knowledge on the part of the Honourable the Finance Member, after giving us an idea of his own vast knowledge of the Constitution . . . .

Sir Cowasji Jehangir: It is much more than yours at any rate. Don't forget that.

Mr. President (The Honourable Sir Abdur Rahim): These personal remarks are very undesirable.

The Honourable Sir Nripendra Sircar: Sir, I do not mind them.

Sir Cowasji Jehangir: He likes them.

The Honourable Sir Nripendra Sircar: I do not expect any better manners from my Honourable friend, so I do not mind them.

Now, Sir, my Honourable friend told the House with his vast knowledge, which is much better than mine—I do not claim any knowledge at all—what was intended by the framers of the Government of India Act, 1919, was that in case the budget was changed by a vote of the House then it would be the duty or at any rate it would be expected that the executive would accept them. I say that I am surprised, I am staggered by the colossal ignorance of my Honourable friend as regards the constitution. Let me read from paragraph 25 of the Report of the Joint Select Committee on the Government of India Bill of 1919.

"It is not, however, within the scheme of the Bill to introduce at the present stage any measure of responsible government into the central administration, and a power must be reserved to the Governor General of treating as sanctioned any expenditure which the Assembly may have refused to vote if he considers the expenditure to be necessary for the fulfilment of his responsibility."

Sir Cowasji Jehangir: Yes, that's it.

The Honourable Sir Nripendra Sircar: Exactly:

"It should be understood"—

—and, may I add, not forgotten by men who claim this knowledge—

"from the beginning that this power of the Governor General in Council is real."

Sir Cowasji Jehangir: Yes.

The Honourable Sir Nripendra Sircar: I do not want any encouragement from a gentleman whose knowledge has now been discovered to be very little indeed. (Laughter.)

"It is meant to be used if and when necessary."

Sir, what is the meaning of this sentence? The power is not intended to be used arbitrarily, but certainly this Legislature was not the final voice in deciding when it is necessary.

"It is not, however, within the scheme of the Bill to introduce at the present stage any measure of responsible government into the central administration."

What is meant by saying that real power must be reserved in the Governor General in Council? What is meant by saying that it must be used and it is intended to be used and intended to be real? I claim before this House to have shown from the report itself that what they intended was the very antithesis, the exact contrary, of what the Honourable the Baronet from Bombay intended this House to believe.

Sir, only one word more and I have done. I am very much obliged to my Honourable friend for judging me by the Bombay standard and attributing to me, not directly but by implication, a certain amount of lack of honesty.

Sir Cowasji Jehangir: Sir, on a point of personal explanation, I never intended that. The Honourable Member should not put that into my mouth.

The Honourable Sir Nripendra Sircar: I hope my Honourable friend will not take it too seriously.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): Sir, may I know what the Honourable Member means by the phrase "Bombay standard"? (Loud Laughter.)

Mr. M. A. Jinnah: Sir, I want your ruling on this. I think the Law Member should not have used the phrase "Bombay standard" thereby stigmatising the whole of Bombay City or Presidency, and I think it is not right. Because he wants to criticise a particular Member, to say that this is the "Bombay standard" of honesty is an insinuation that the Bombay standard of honesty is very low. I do not think he meant that, but that is the implication.

The Honourable Sir Nripendra Sircar: I have not the slightest hesitation in withdrawing that expression if it is likely to be misunderstood, and instead of saying that, I would say, "judged by the Sir Cowasji standard". (Laughter.)

Dr. G. V. Deshmukh: Say the "knightly standard".

The Honourable Sir Nripendra Sircar: Not the Dr. Deshmukh standard. He said, "Oh, I will accept his opinion on the meaning of the constitution, if given outside the House"—coupled with the statement made five minutes ago. "He has no knowledge of law and I know it better than he does." Of course, that is not a point that I am disputing. I do not claim to have as much knowledge of law as my Honourable friend. What I meant by lack of honesty being insinuated by my Honourable friend, is his suggestion, that inside this House, I am prepared to give an opinion which I believe it to be true, but my opinions expressed outside the House, may be taken to be honest.

6 P.M. One word more, and I have done. It was said that when the Finance Member was quoting passages showing how the Executive has in important matters responded to this House, that these were occasional good acts done by our ancestors. May I retort by saying that it was possible to accept the views of this House, because the ancestors of the Opposition were more reasonable in their days? (Laughter.)

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in clause 2 of the Bill, the following be omitted, namely :

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if with effect from the 1st day of April, 1936, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

The Assembly divided:

AYES—51.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajoria, Babu Baijnath.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das-Gupta, Mr. S. K.
Dash Mr. A. J.
DeSouza, Dr. F. X.
Ghuznavi Sir Abdul Halim.
Gidney, Lieut.-Colonel Sir Henry.
Grigg, The Honourable Sir James.
Grigson, Mr. W. V.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Lal Chand, Captain Rao Bahadur Chaudhri.
Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank .
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sinha, Raja Bahadur Harihar Prosad Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Witherington Mr. C. H.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.

NOES—68.

Aaron, Mr. Samuel.
Abdul Matin Chaudhury, Mr.
Abdullah, Mr. H. M.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Ba Si, U.
Badi-uz-Zaman, Maulvi.
Banerjea, Dr. P. N.
Bhagavan Das, Dr.
Bhutto, Mr. Nabi Baksh Ilahi Baksh.
Chattopadhyaya, Mr. Amarendra Nath.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencata chelam.
Das, Mr. B.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Essak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Gauba, Mr. K. L.
Ghiasuddin, Mr. M.
Ghulam Bhik Nairang, Syed.
Giri, Mr. V. V.
Govind Das, Seth.
Gupta, Mr. Ghanshiam Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jinnah, Mr. M. A.
Jogendra Singh Sirdar.
Joshi, Mr. N. M.
Kailash Behari Lal, Babu
Khan Sahib, Dr.
Khare, Dr. N. B.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Murtuza Sahib Bahadur, Maulvi Syed.
Nageswara Rao, Mr. K.
Paliwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Raghubir Narayan Singh, Choudhri.
Rajan, Dr. T. S. S.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Satyamurti, Mr. S.
Sham Lal, Mr.
Shaukat Ali, Maulana.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Sahib Nawab.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Thein Maung, Dr.
Umar Aly Shah, Mr.
Varma, Mr. B. B.
Vissanji, Mr. Mathuradas.

The motion was negatived.

The Honourable Sir James Grigg: Sir, in accordance with sub-rule (5) of Rule 36B of the Indian Legislative Rules, I have now to request you to endorse on the Bill a certificate to the effect that "the Chamber has failed to pass the Bill in the form recommended".

(The Secretary placed an endorsement on the certificate to that effect, and the Chair signed it.)

The Assembly then adjourned till Eleven of the Clock on Thursday, the 26th March, 1936.

LEGISLATIVE ASSEMBLY.

Thursday, 26th March, 1936.

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

MEMBERS SWORN.

Sir Bryce Chudleigh Burt, Kt., C.I.E., M.B.E., M.L.A. (Government of India: Nominated Official); and

Dr. John Matthai, C.I.E., M.L.A. (Government of India: Nominated Official).

SHORT NOTICE QUESTION AND ANSWER.

GRAND TRUNK EXPRESS TRAIN FROM DELHI TO MADRAS.

Mr. M. Ananthasayanam Ayyangar: (a) Is there any proposal at present to discontinue the running of the Grand Trunk Express train from Delhi to Madras in the near future? If so, on what grounds?

(b) Are Government aware that this is the only convenient service or train between Delhi and Madras and also between Delhi and Nagpur and Nagpur and Madras?

(c) Will Government state what amount, if any, they estimate to save by discontinuing this service?

(d) Will Government state how long this service has been in existence and whether in fact in the beginning the service extended from Peshawar to Mangalore?

(e) Will Government state if there are any other single services on any of the other railways—besides the strategic railways—which run at a loss, say, the "Deccan Queen" or any of the mail trains on the other railways, and if so, whether there is any proposal to abolish any of those services?

(f) Are Government aware that in fact there have been repeated demands in the past for speeding up the train service to that of other mail trains in Northern India?

(g) Do Government propose to consider the desirability of lowering the third and intermediate class fares by this train, so as to make it more popular and more paying?

(h) Will Government state what their object was in providing through railway communication if they are not going to run even one fast train on it, connecting the various important places on the line?

The Honourable Sir Muhammad Zafrullah Khan: (a) There is no such proposal.

(b) to (h). Do not arise.

Mr. M. Ananthasayanam Ayyangar: As regards part (f), are Government aware of the fact that there have been repeated demands in the past for speeding up this train to the level of other mail trains, in Northern India, and is the Honourable Member aware that, while it takes only 24 hours for a distance of 900 miles between Calcutta and Delhi, it takes a full two days for 1,300 miles between Madras and Delhi?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member means that the Grand Trunk Express does not run as fast as some of the mail trains between Delhi and other places, that is correct; but the difficulty is, it has to run over so many sections and it has to make so many connections and also to leave so much margin for other fast trains between Delhi and Agra and Harsi and other places, that it has not been found practicable to run it any faster.

Mr. Sami Vencatachelam Chetty: Is there any proposal to increase the time taken by the Grand Trunk Express from Madras to Delhi?

The Honourable Sir Muhammad Zafrullah Khan: If the question is whether under the new time table, the time taken by this train will be more than that taken at present, I shall require notice of that question.

Prof. N. G. Ranga: Will Government consider the advisability of lowering the rates for third and intermediate class passengers travelling by this train?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid Government cannot consider a proposal to reduce fares by a particular train: the question is, what the fares are on different sections on this route.

MOTION *RE* APPOINTMENT OF A COMMITTEE TO EXAMINE THE WORKING OF THE OTTAWA TRADE AGREEMENT.

Mr. President (The Honourable Sir Abdur Rahim): It has been arranged among the Leaders of Parties in the Assembly that there should be a time-limit for speeches on this debate and it is generally agreed that the Honourable the Mover of this motion may require about an hour and that the other Members who want to speak in this debate will have twenty minutes each, subject to the usual discretion in the Chair.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

"That, in accordance with the recommendation of the Committee referred to in the Resolution adopted by this Assembly on the 6th December, 1932, a Committee of this Assembly consisting of the Honourable Sir Frank Noyce, Sir Girja Shankar Bajpai, Mr. F. E. James, Sir H. P. Mody, Mr. K. L. Gauba, Sir Abdul Halim Ghuznavi, and the Mover be constituted to examine the working of the Trade Agreement concluded at Ottawa on the 20th August, 1932, between His Majesty's Government in the United Kingdom and the Government of India, and to report to the House thereon".

Sir, before I go on to deal with the subject of this motion, I may explain with regard to the constitution of the Committee that up to this stage it has not been found possible to persuade the Congress Party to give names to serve on the Committee in case the House decides to set up a Committee; and also with regard to one other group it has not been possible so far to ascertain whether any names would be forthcoming, and that, therefore, it is possible that at a later stage I might have to move, if I am in that position, for the addition of a name or names to the Committee.

Now, Sir, the motion that I have just moved arises out of an obligation undertaken by Government to bring up the working of the Ottawa Trade Agreement between His Majesty's Government in the United Kingdom and the Government of India for the consideration of this House after the expiry of three years from the date on which that Agreement came into operation.

Before I go on to offer any observations upon the general working of the Agreement itself, I think it would be of some service to the House if I gave a brief history of the circumstances under which the Ottawa Agreement came into being. There can be no doubt that those Honourable Members who have studied the matter intensively must be fully familiar with all the circumstances and the steps leading up to the signing of the Ottawa Agreement. Nevertheless, I think there may be some Honourable Members of this House to whom it would be of advantage to have the setting of that Trade Agreement before them. Now, the question of trade preferences within the Empire is not a question that was started for the first time in 1932. As a matter of fact, as early as 1903 the question had been mooted and since 1919 His Majesty's Government in the United Kingdom have been willing actively to consider the question, and, as a matter of fact, since 1919 India along with the Dominions had enjoyed a certain amount of preference with regard to certain commodities, for instance, coffee, fruit, silk, and tea up to 1929. The attitude of the Government of India towards such schemes prior to 1930 had been that before they considered any of these questions in a concrete form they wanted to be quite sure as to the kind of positive benefit that might result to India from the adoption of any such scheme, and, inasmuch as before 1931, or to be more accurate, before 1932, India automatically and unconditionally enjoyed any preferences that were granted to the Dominions by the United Kingdom, the Government of India did not feel called upon to consider the question from close quarters, and their view was that, unless concrete proposals were put before them for their examination, it was not for them to initiate discussions on these matters. The question was, however, taken up in a concrete form in the Imperial Conference of 1930, and in that Conference the attitude of the Government of India was described by Sir Geoffrey Corbett in the following words:

"India is ready to consider favourably all schemes designed to encourage the development of trade with all other countries of the British Commonwealth, but she is not prepared to depart from her present policy of discriminating protection which indeed, as I have explained, seems to us to fulfil the conditions of rationalised protection about which we hear so much. We are unable, therefore, to commit ourselves to any general scheme of tariff preference before the Empire, but we must reserve complete freedom to deal with each case as it arises".

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Well, now, the 1930 Imperial Conference found it impossible within the time at their disposal to consider the details of any such scheme. It was, therefore, decided that the economic section of that Conference should assemble within the space of twelve months at Ottawa to consider the details of such a scheme. It was not found possible to convene that Conference within 12 months of the Imperial Conference, as the House is aware that, during the course of 1931, several economic and monetary problems arose for consideration in the United Kingdom as well as in the Dominions and in India which made it difficult for the representatives of the different parts of the Empire to meet together for the purposes of such a conference. The conference was, therefore, postponed till 1932. Between the Imperial Conference of 1930 and the assembling of the Conference at Ottawa something had happened in the United Kingdom which gave an entirely new orientation to this question. As I have said, the attitude of the Government of India previous to 1931 had been that, unless there was some positive benefit to be derived from their becoming parties to such a scheme, it was not necessary for them to consider any such scheme. In 1931 the National Government came in in England, and the whole economic policy of England underwent a radical change. The free trade policy had, under the stress of circumstances, to be abandoned, and a definite scheme of tariffs was brought in, and, by April, 1932, an Act had been passed in the United Kingdom called the Import Duties Act which gave effect to that general scheme of tariffs. Now, the position before that Act had been passed was that a certain number of commodities were subject to tariffs either for revenue purposes or for the purpose of safeguarding particular industries, and all other commodities entered the United Kingdom free. Generally speaking, the effect of the Import Duties Act was to subject almost every commodity,—as a matter of fact, all commodities except those set out in Schedule I to the Act to a tariff, but, so far as the Dominions and India were concerned, section 4 of that Act made provision that up to the 15th of November, 1932, commodities which had so far entered free from the Dominions and India into the United Kingdom should continue to enter free, and that after the 15th November, 1932, it would be open to His Majesty's Government to make orders in Council for the extension of these exemptions. And when this Act was enforced in April, 1932, it was made clear that in the case of India as well as of the Dominions, these exemptions would be continued after the 15th November, 1932, in case agreements were arrived at between the United Kingdom and India and any of the Dominions, so that, by the time that India had to decide whether it should or it should not take part in the Ottawa Conference, as I have said, the situation had radically changed. It was no longer a question of India continuing unconditionally and automatically to enjoy the preferences in respect of a few articles that it had been enjoying up to the time the Import Duties Act was put into force. The question was whether India should go forward, take part in this Conference and see whether an Agreement, mutually beneficial to the United Kingdom and India, could or could not be arrived at, or to keep aloof and lose the preference that it enjoyed at that time, and also lose all the benefits of free entry which it had up to that time and be placed in a position of disadvantage not only in regard to some of the commodities as against the United Kingdom, but also with regard to all commodities as against the Dominions, and it must be remembered that, with regard

to several of these commodities, the Dominions are active competitors with India so far as their trade with the United Kingdom is concerned. That being the position, the Government came to the decision that it would be extremely unwise to keep out of the Conference and that, therefore, a delegation should be sent to the Conference to make an attempt to come to some agreement with the United Kingdom on the lines that I have mentioned. This delegation, which consisted of Sir Atul Chatterjee as the Leader, and Mr. (now Sir) Shanmukham Chetty, Sir Padamji Ginwala, Seth Haji Abdoola Haroon, Sahibzada Abdus Samad Khan and Sir George Rainy as members, was nominated by the Governor General with the consent of the Secretary of State to take part in the Ottawa Conference. Preliminary discussions took place in the months of May and June in England and in July the Conference started in Ottawa, and as the result of those discussions, what is now known as the Ottawa Trade Agreement was signed between the representatives of the United Kingdom and the representatives of the Government of India on the 20th August, 1932.

Briefly, the scheme of the Agreement is this. As I have explained, up to the passing of the Import Duties Act, a very large range of commodities, as a matter of fact, all commodities with very few exceptions were entitled to free entry into the United Kingdom. Out of those commodities, a few would still continue to enter the United Kingdom free, whether India came into any such scheme or not. Those are the commodities, small in number, which are entered in Schedule I to the Import Duties Act. With regard to the remainder, any Dominion that did not come into the scheme would lose the right of free entry. Article 1 of the Ottawa Agreement secures the right of free entry of those articles into the United Kingdom. That is the first provision, and I might pause here for a moment to stress the importance of that provision. With regard to the other preferences, the position is this. India secured preferences for certain commodities as against foreign countries, that is to say, Indian goods entering United Kingdom would be at an advantage to the extent of the preference as against goods of foreign countries. But under this Article, India secured a position of equality with the products of the United Kingdom itself in the United Kingdom. I might, at this stage, name a few of the commodities, mostly manufactured or semi-manufactured, with regard to which this right of free entry has been of real value and benefit to India, and continues to be of benefit to India, in many cases, at a progressive rate. These commodities are, jute manufactures, woollen carpets, cotton manufactures, finished leather, unfinished leather, pig iron, coir manufactures, granite setts used for flooring, magnesium chloride, and sports goods. With regard to these commodities, the position is this—take, for instance, sports goods manufactured in India, these enter the United Kingdom free of duty; sports goods manufactured in the United Kingdom, when entering India, have to pay a duty of 50 per cent. Apart from the scale of the duty which differs with regard to different commodities, that might be said to be generally true with regard to the other commodities that I have mentioned: for instance, woollen carpets from India enter the United Kingdom free, while carpets from England have to pay a duty when they enter India. That was the first benefit secured to India, which, if the Agreement had not been entered into, India would have lost entirely.

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The next is that certain preferences were secured for commodities entering the United Kingdom from India, as against the same commodities coming from foreign countries, and those are set out in Schedules A, B and C to the Trade Agreement. With regard to Schedule A commodities, certain scales of duties were fixed to which foreign goods would be subjected. Most of those commodities would otherwise come in at the usual rate of duty. With regard to Schedule B commodities,—as a matter of fact, the only commodity put into Schedule B was coffee—a certain preference was agreed to be given, that is to say, whatever rate of duty was imposed upon foreign coffee, the difference between the rate for Indian coffee and foreign coffee would be 9*s*. 4*d*. per cwt., which works out as a preference at the rate of a penny a pound. With regard to Schedule C articles, the scheme was that the existing range of preference was guaranteed. It would be open to the United Kingdom to impose any rates of duties on foreign goods so long as the range of duties left a difference, between the duties imposed upon foreign goods and those imported from India, corresponding to the margin that then existed. Then, with regard to tobacco, for a period of ten years the then existing preference 2*s*. ½*d*. a pound was continued and it was provided that, if at any time the duty on tobacco went below 2*s*. ½*d*., the margin of preference would then operate to the full extent of the duty, but, so long as the duty remained above this limit, the margin of the preference would be 2*s*. ½*d*. With regard to certain articles of which India was the chief exporter to the United Kingdom, it was agreed that those articles would be admitted free of duty to the United Kingdom, it did not matter from which sources they came. And the reason for the differentiation was this. India was the principal supplier of these commodities. Wherever India had obtained a preference it was a necessary condition that the goods exported to the United Kingdom should comply with the definition of Empire Origin, to be vouched for by means of certain certificates, and so on, to the British Customs Authorities that the goods were of Empire Origin. In the case of a commodity which was placed in Schedule D, these instructions would not apply. This was done at the request of the Indian Delegation. On the other hand, with regard to commodities entered in Schedule F, the United Kingdom were granted a certain range of preference—with regard to a very large majority of this, ten per cent., and with regard to some, mostly motor cars and motor accessories, a preference of 7½ per cent. With regard to certain other commodities, a very small number, it was agreed that such of them as were not made the subject matter of protective duties by the Indian Tariff Board would obtain preference in India; the preference is specified again, generally, ten per cent. It was then agreed by Article 8 that His Majesty's Government in the United Kingdom would lend their support to any scheme formulated for the purpose of promoting the consumption of Indian cotton in the United Kingdom, whether by way of research, or improved methods of marketing, etc. Finally, there were provisions for extending the preferences to the Colonial Empire, and there was a provision in clause 14 that the Agreement was subject to termination on either side by six months' notice. That is to say, there was no period fixed in the Agreement itself after which it must automatically come to an end or before which it must be renewed, but it was left to either party to terminate it by six months' notice. There was also a provision made that, if at any time it became necessary to make an alteration in these

duties by either side on considerations which applied only to those commodities, notice should be given to the other side and if within six months no agreement could be reached, a further notice of six months of the change contemplated should be given and the change carried into effect. It was also agreed that if either party granted any further preferences with regard to the articles in Schedule C to the Dominions, then the same would automatically apply to the United Kingdom or India as the case may be. Now, as I have said, this agreement was arrived at between the representatives of the United Kingdom and the representatives of the Government of India and was signed at Ottawa on the 20th August, 1932. In announcing the decision of the Government of India to send a delegation to Ottawa, Sir George Rainy had said:

"If the conclusion of a Trade Agreement recommended as a result of the Conference any changes in the tariff which it might involve will be duly placed before the Legislature for its approval. The Government of India have no wish to put any such changes into effect unless the Legislature is satisfied that they are in the best interests of India".

In pursuance of this Agreement, not only the contemplated changes in the tariffs which might result from this agreement but the whole Agreement was put before the Indian Legislature for its approval and my predecessor, Sir Joseph Bhore, moved a Resolution in the Assembly on the 7th November, 1932, for the acceptance of the Agreement. A Committee was set up on the 10th November, 1932, to consider the Agreement and as a result of the Report of that Committee on the 6th December, 1932, a Resolution was adopted by the Assembly approving of the Trade Agreement and asking the Government to take such steps as may be necessary to give effect to it. The Resolution ran thus:

"That this Assembly, accepting the Trade Agreement made by the Government of India with His Majesty's Government in the United Kingdom, which was signed at Ottawa on the 20th August, 1932, and the Supplementary Agreement regarding iron and steel contained in the correspondence between Sir George Rainy and Sir Horace Wilson, dated the 22nd September, 1932, and approving the Report of the Committee set up by this Assembly on the 10th November, recommends to the Governor General in Council that he do introduce in the Indian Legislature at the earliest possible moment such legislative measures as may be necessary to give effect to the agreements in question, and further that he do give effect to the recommendations of the said Committee.

In pursuance of this Resolution, a Tariff Amendment Bill was introduced on the 7th December, 1932, and the Bill was duly passed into law and took effect from the 1st January, 1933. Another recommendation of this Committee which had been set up to examine the Ottawa Agreement by the Assembly was to the following effect:

"We further recommend that on the expiry of three years from the date on which the preferences given by the Agreement become operative, the Government should place before the Legislative Assembly a detailed report on the course of the import and export trade in the commodities covered by the preferential rates of duty and that they should undertake to give the notice of denunciation required by Article 14 of the Agreement if the Legislative Assembly after considering the report is satisfied that the continuance of the Agreement is not in the interests of India. We wish to add that the Government of India's right to give notice at any time of denunciation of the Agreement is not affected by this recommendation".

As I have said, the Agreement itself specified no period and it is in pursuance of this recommendation of the Committee that I have moved this motion this morning that the working of the Ottawa Trade Agreement

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preferences may be examined in committee and that the Committee should report thereon. Now, one of the obligations laid upon the Government of India by the Committee of 1932 was to place full figures with regard to the export and import of the articles covered by the Trade Agreement before the House at the end of the three years period of the Agreement's working. I believe it was in reply to Mr. Vissanji's question during the last Budget Session that Sir Joseph Bhore explained that, by the time of the present Budget Session, it would not be possible to supply the full figures for the three years, inasmuch as, with regard to several of these items, figures have to be completed by the help of statistics obtained from the United Kingdom, but that Government would do whatever they could to supply the figures up to as late a period as possible, and those figures have been supplied in the form of two volumes dealing with the years 1933-34 and 1934-35 and a supplementary statement bringing the figures, so far as it was possible to do so, up to October, 1935, have since been supplied. They must be on the table of Honourable Members, so that to that extent the obligation that was undertaken by Government has been discharged. As I have explained, it was not possible in the nature of things to supply the full figures for the three years, but Government have supplied figures up to as late a period as was possible for them to supply.

The question might well arise as to what is the best or the most suitable method by which the working of the Ottawa Trade Agreement might be considered by this House. Before I go on to offer any observations with regard to the best method of considering and reviewing the working of this Trade Agreement, may I make this one remark. With regard to several matters, a complaint has been made or expression has been given to the feeling that, however seriously the House might consider a problem, there was always a sense of unreality relating to the proceedings of this House, inasmuch as, with regard to most matters of importance, the final decision rests with an executive which is not responsible to the House and which is not removable by the House when it fails to carry out any decision of the House.

Mr. M. Asaf Ali (Delhi: General): It is not responsive either.

The Honourable Sir Muhammad Zafrullah Khan: I am not summing up the criticism in that respect. I am merely indicating that it is the feeling with regard to many matters that come up for discussion before this House. With regard to this particular matter, I may observe that, as the House is already aware, having regard to the proceedings that have taken place previously in connection with the Ottawa Trade Agreement and having regard to the undertakings given by Government that the House is responsible so far as the question of this Trade Agreement is concerned and that Government is responsible to the House with regard to this Trade Agreement in the sense that Government have undertaken that, in case the House comes to a decision after reviewing the working of this Agreement for the first three years that the Agreement is not in the interests of India and it calls upon the Government to give notice of termination under Article 14, the Government would be bound to give such notice.

An Honourable Member: Thank you very much.

The Honourable Sir Muhammad Zafrullah Khan: That being so, I would make an earnest appeal to the House that, having regard to the volume of India's trade which would be affected by any decision of the House one way or the other, the House would consider all aspects of the question most carefully before it recorded any decision with regard to the Ottawa Trade Agreement. I shall put it no higher than that. I have no reason to doubt whatsoever that the House will do that, but I thought it was necessary to stress that aspect of the matter before I proceeded to make any further observations on the working of the Trade Agreement. Another almost axiomatic statement is that the Government on this side, and I have no doubt the Opposition on the other, in considering this question will not be influenced by any consideration except the consideration of the benefit to India and India's trade. As I have said, there might be different views with regard to the method or the procedure to be adopted in considering the working of this Agreement, and Government have come forward with a motion that a Committee might be appointed to consider and report on the working of the Agreement. It might be said—why have not Government come forward with some positive motion asking for the continuance of the Ottawa Trade Agreement, or indicating that a modification of the Trade Agreement is necessary, and why do Government prefer to have the matter examined in committee and not on the floor of the whole House during the course of the debate? On this matter, opinions might well differ, but let me put forward two considerations before the House with regard to Government's preference for the method that they have adopted. One is that at certain stages this method has in the past been adopted by the House in order to examine the value and subsequently to examine the working of this Agreement. In 1932, the House agreed unanimously to the setting up of a Committee to examine and report upon the Ottawa Trade Agreement, and, as a matter of fact, two years later, when the report with regard to the figures for the first year was laid before the House, the House again appointed a Committee to examine and report on the working of the Ottawa Trade Agreement.

Mr. B. Das (Orissa Division: Non-Muhammadan): But that Committee report was never placed before the House and considered.

The Honourable Sir Muhammad Zafrullah Khan: I am now merely discussing the method which has been previously adopted for the examination of the question; and, as a matter of fact, I have some recollection—if necessary I can get out the reference—that, during the last Session, a suggestion was made to me at Simla that a Committee should be set up, or a question was asked why a Committee was not set up to examine the working of the Ottawa Trade Agreement, and I said, I think, that I would consider the question in the Budget Session, but that, had Honourable Members been anxious to examine the question by means of a Committee, I might have been able to meet their wishes if they had brought the matter to my notice earlier in the Session. So that Government were entitled to assume that this method, which had been considered convenient previously by the House for the examination of the Trade Agreement, would be considered to be the most suitable method of

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examining the working of the Agreement. But even if this method had not been adopted before, I venture to submit—and this is the second consideration—that with regard to the working of the Trade Agreement during quite abnormal times relating to a large number of commodities on either side, that examination being based upon a large mass of statistics, as I have said, I venture to submit that the procedure of Committee would be far more appropriate than the procedure of examining it by a debate in the whole House. After all, during the course of a debate in the House, individual Members may give expression to their individual opinions and judgments, but there is no room for that interchange and interplay of opinion which is available only in committee. The attempt to reconcile different points of view, to clear up matters that might be obscure, to put forward facts which might be in danger of being ignored, and then to arrive, not at an individual judgment, but at a considered collective judgment, is possible only in committee. The great advantage would be that in committee all these questions would be examined at close quarters by a continuous exchange of views; where it was, for instance, felt that a certain matter was raised for which there was a legitimate explanation on the one side or legitimate ground for criticism on the other, time and opportunity would be available to put forward that explanation or criticism, so that a just decision might be arrived at. Now, as I have said, there is a great deal of material which has to be considered. There are as many as fifty-five commodities on the Indian side which enjoy preference or the right of free entry, and there are as many as 163 commodities or sub-commodities which enjoy preference under Schedule F on the United Kingdom side, and to these might be added some commodities out of Schedule G to which preferences have since been extended, so that it would not be easy, apart from any considerations of time, to consider the value of this Trade Agreement or its working with regard to these commodities in a debate in the House; and I might explain that perhaps it might strike Honourable Members that the list with regard to the Indian preferences is much shorter than the list of United Kingdom articles which enjoy preferences in India. As to that, I might observe, for one thing, the United Kingdom list, comprising as it does manufactured articles and not primary commodities, is very much more detailed in its definition of articles and sub-articles than the Indian list which deals with bulk commodities. But there is one further test to be applied. The total value of the exports to the United Kingdom, in the last year for which figures are available, from India of commodities that enjoy preferences or the right of free entry is just over Rs. 41 crores, while the value of the articles exported from the United Kingdom and imported into India which enjoy preferences in India was during the last year slightly under Rs. 17 crores—Rs. 41 crores on one side and Rs. 17 crores on the other.

Sardar Mangal Singh (East Punjab: Sikh): Do the Indian figures include gold?

The Honourable Sir Muhammad Zafrullah Khan: No—the commodities which enjoy preference under the Ottawa Trade Agreement; I am not talking of the total export between the two countries.

Mr. N. M. Joshi (Nominated Non-Official): Do they include iron and cotton textiles?

The Honourable Sir Muhammad Zafrullah Khan: Cotton textiles have no preference at all. As I have said, even in normal times the examination of a question like this and this mass of figures on the floor of the House would be an extremely complex task and would not be satisfactorily carried out by the method of debate; but, as I have said, the working of the Ottawa Trade Agreement has not been in normal times. The House is fully aware of the chaos into which the commerce and the monetary exchange systems of the world fell some years ago, from which they have not yet fully emerged, although it might be hoped that certain tendencies are observable which, if they continue, might extricate the world from that confusion; but there have been all sorts of schemes resorted to for balancing budgets, and for the stabilisation, deflation, or inflation of currencies in a desperate attempt to put the exchanges and the credits of the different countries involved on a stable basis, there have been quota restrictions, tariffs, exchange restrictions, licensing systems, and all sorts of things, so that the whole course of international commerce has, during the last few years, been practically reversed. We have read a great deal of the transition from the system of barter to the very highly developed and complex system of international exchanges, and it seems as if we are working back again to the stage of barter in the case of some countries. Now, this Trade Agreement has worked against that background and it has to be examined against that background, and that makes the examination of the question still more difficult and still more complex. Allowances have to be made for all sorts of factors on both sides. It may be that on the surface certain preferences may not have worked well and a perfectly good explanation as to how we would have stood if there had been no preference might be forthcoming. On the other hand, on the surface we might have made a great deal of progress with regard to certain commodities and there might be explanations showing that we have been helped by mere fortuitous circumstances with regard to them so that the real benefit may not be quite as large as may be apparent on the surface, while, in other cases, the real benefit might have been concealed by factors which have been operating in the opposite direction. I have no desire at this stage to examine any of the provisions of the Agreement in detail in order to justify the continuance of the Agreement. I am making a motion for the appointment of a Committee and I am assuming that I may be able to persuade the House before the House records its decision on this matter that the best method of examining this question would be in committee. Therefore, at this stage, I would not enter into any detailed examination of the working of the preferences. But, before I sit down, I might draw the attention of Honourable Members to certain aspects of the question, one or two of which I have already referred to, namely as to how India would be affected in the absence of or in the case of discontinuance of an agreement like the Ottawa Trade Agreement. I am not saying that on the other side there would not be the consideration that if in substitution of this Agreement something could be secured which may be from the point of view of some Honourable Members more satisfactory than this Agreement, then those results need not follow, but at the present moment, I desire to pause and to look at the scheme of the Agreement in order to place some considerations before the House which might bear upon this question, that is to say in the absence of the Trade Agreement, what sort of conditions one might have to contemplate. I have already made reference to the right of free entry and the right of free entry, as I have tried to explain, extends to all commodities entering the United

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Kingdom except those which were already subject to duty before the Import Duties Act was passed, that is to say upon which revenue duties or safeguarding duties had already been imposed. With regard to the balance, all articles have a right of free entry, and the effect of it is this. Not only does it give us a position of equality with regard to such of those articles which we are able to export to the United Kingdom—with the United Kingdom itself—but it also places us in a position of equality with the other Dominions. Now, in the absence of this right of free entry, what would be the position of these commodities? The position would be that automatically they would become subject, except in the case of those which are already in Schedule I of the Import Duties Act, to the tariff schedules of the Import Duties Act and it would place the commodities coming from India not only at a disadvantage against articles manufactured or commodities produced in the United Kingdom but also against all the Dominions and the Colonial Empire. Some of these articles are jute manufactures, woollen manufactures, cotton manufactures finished leather, unfinished leather, magnesium chloride, sports manufacture and so on. That would be the first effect of the discontinuance of this Trade Agreement. The second effect would be this: the losing of all preferences that we enjoy with regard to articles in Schedules A, B and C. Those articles are rice, castor oil, linseed oil, coconut oil, ground nut oil, rape oil, sesamum oil, magnesium chloride, coffee (and omitting those that I have already mentioned), cotton yarns, unbleached, oil seeds cake and meal, paraffin wax, spices, teak and other hardwoods, woollen carpets and rugs, rice meal and dust, tobacco, castor seed, magnesite, sandalwood oil, granite setts and curbs, groundnuts, lead, etc. The right of free entry will also be denied to articles mentioned in Schedule D, that is to say, shellac, seed lac and stick lac, jute raw, Myrabolams, rice broken, mica slabs and splittings, etc.

Again, without entering into details, we might consider this, that having regard to the fluctuations through which international trade and commerce have been passing during the last few years and having regard to the straits to which some of the bigger industrial countries have recently been reduced, I do venture to submit that these preferences during the last three years have had a very great insurance value in the sense that certain tendencies having been set on foot in some countries to which I have made reference, they have had to take desperate steps to maintain parities of their exchange or to maintain their exchanges at any reasonable standard and every one of them has been forced to adopt measures upon the wisdom or otherwise of which it is not my purpose to pronounce here but, they have been forced to adopt measures of various kinds some of which I have already enumerated, in order to balance their trade with different countries—Germany, Italy, Iran, Turkey and so many other countries. I venture to submit that, apart from the wisdom of individual measures adopted, that is a tendency which has been forced upon those countries by the confusion into which international exchanges and monetary systems have fallen. That kind of action might have been of different descriptions in different countries, but if India had been without any such Agreement and at a disadvantage with regard to the right of free entry into the United Kingdom, at a disadvantage with

regard to the preferences against foreign countries as well as the Dominions and the Colonial Empire, India's case would have been very much worse than that of some other countries, and certainly very much worse than the position and it is a fairly satisfactory position, in which it finds itself today with regard to these matters. As I have said, these negative advantages, which have resulted from the Ottawa Agreement, have been of immense insurance value to India, and, in the absence of this Agreement, these would not have been available, and if this Agreement were denounced it would be realised that they would not be available in the future. In this connection, I might observe, as was observed by our Trade Delegation to Ottawa, when this question was under discussion in the Assembly, that the position, with which India was faced in 1932, was no longer what is the positive benefit that India could get out of any such scheme; as the result of the reversal of the free trade policy in the United Kingdom, the position was: what steps can India take to ensure itself against the positive losses that were bound to occur if India was not able to enter into a satisfactory trade agreement. That is to say, how could it protect itself against loss? What did it stand to lose in case it did not come into any such scheme. I have already given the House some idea of the insurance value of this Trade Agreement, but I need not stop there. As a matter of fact, the Trade Agreement has been of positive value to India in promoting its trade, in the larger consumption of its commodities in the United Kingdom to a considerable extent. As I have said, it is not my purpose to go into details more especially as I have very few minutes left within which to conclude my observations. As an instance of the complexity of the question as well as an instance indicating the direction in which some of these preferences have helped India, I might make reference to one or two commodities though I need not go into them in detail. Take, for instance, linseed, which has been the object, during question hour at any rate, of a considerable amount of anxiety on behalf of certain Honourable Members. Immediately before this preference came into operation, the total export of linseed to all countries from India was, in 1931-32, 120,000 tons; and in 1932-33, 72,000 tons. The rough estimate [illegible] out of our total production of linseed about 200,000 tons are consumed inside the country itself. Now, out of these two figures, the export to the United Kingdom was 14,000 tons in each case. In 1933-34, the total export was 379,000 tons; in 1934-35, 239,000 tons and in the eleven months of 1935-36, 148,000 tons. Out of these the export to the United Kingdom was as follows:

	Tons.
1933-34	176,000
1934-35	104,000
1935-36 (11 months)	44,000

The lowest of these is more than three times the figures for the two years 1931-32 and 1932-33. And let me make this observation and that illustrates the complexity of the consideration of this question. In these 11 months of the last year though there has been a fall, our figures show that by the end of the year, that is to say, taking into account the figures for March which are still expected, we shall not have any appreciable exportable balance left. The smallness of the export is due to the fact that our exportable balances had been exhausted

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and we had in the last year only to deal with the crop for that particular year which was a bumper crop. That being so, our figures show that out of a total crop of 418,000 tons which has been the biggest for ten years, allowing for home consumption we have already exported 148,000 tons; and the rate at which the export has been taking place in the first two months of the year is such as to lead to the hope that there would be very little left of the remaining 70,000 tons that are available for export. Let me illustrate this by a reference to figures. During the first two months of 1936 the total export has been 42,000 tons and the export to the United Kingdom during January and February 1936 has been 20,000 tons. Therefore, I am fully justified in placing before the House these figures showing how various factors might operate in different parts of a year; and that it would be wise to examine this question more closely and incidentally to examine it at a stage when the figures of all the three years are complete. This question of linseed is, I venture to submit, a good illustration of the fact that upon incomplete figures for three years as considered a judgment would not be possible as would be possible upon complete figures for these years. Then, with regard to prices. Indian linseed, having regard to the preference, has enjoyed a very much better price in the United Kingdom than linseed from the Argentine.

Take, again, the case of rice. The preference on rice is a penny per pound and since April 1935 we have got three-quarters of a penny per pound on paddy also. The figures of exports from India into the United Kingdom were:

	Tons.
1931	23,000
1932	26,000
1933	32,000
1934	40,000
1935	45,000

That again, shows the value of having figures for all the three years. There might be certain progressive tendencies indicated in certain commodities, the value of which would have to be taken into account. After all we are quite aware of the almost elementary stage at which our propaganda organisation and market organisation stand; and we shall also have to take into account the stage at which we stand with regard to these matters in order to judge what benefit might be extractable from these preferences.

Similarly, take ground-nuts. I shall not go into details at this late stage, but the Indian exports to the United Kingdom were as follows:

1930—45,000 tons; 1931, 81,000 tons; 1932, 58,000 tons; 1933, 70,000 tons; 1934, 72,000 tons; 1935, 90,000 tons.

And the exports of ground-nut to the United Kingdom are worth from 60 lakhs to a crore per annum.

Then, take tea. With regard to tea the position is this. The three great countries that supply tea to the United Kingdom, the biggest consumer of tea, and also to the rest of the world are Ceylon, the Dutch East Indies and India. Honourable Members are aware that there is a restriction scheme in operation with regard to tea which places this commodity in a peculiar position. But, apart from that, Indian tea enjoys in the United Kingdom a preference over Dutch tea of two pence per pound, and it exports to the United Kingdom 15 million pounds sterling worth of tea, that is to say, Rs. 20 crores worth of tea; and for that 20 crores gets a price from which the net profit will be two pence per pound greater than in the case of the Dutch East Indies. Honourable Members can themselves make a calculation as to how much that comes to in rupees. India supplies 55 per cent. of the United Kingdom's imports of tea and the United Kingdom takes over 90 per cent. of the total exports of India in tea. If this preference were lost, India would be relegated to the position of the Dutch East Indies, that is to say, would be subject to a duty of 4 pence per pound and lose the preference.

Now, Sir, I need not go on with regard to half a dozen other commodities that I have here with regard to which I wanted to give figures,—tanned hides and skins, teakwood and so on. And let me come immediately to cotton which is the last commodity that I want to refer to. With regard to cotton, I have already submitted to Honourable Members that Article 8 provides that His Majesty's Government would co-operate in promoting any scheme for the larger consumption of Indian cotton in the United Kingdom markets that might be agreed upon between the trading communities of the two countries. In pursuance of these efforts, the Lancashire Indian Cotton Committee was set up which has been carrying on research into the possible uses to which short staple Indian cotton might be put in the United Kingdom, has been carrying on propaganda and has been studying marketing conditions, bringing short staple Indian cotton to the notice of textile manufacturers, and so on. Two of their reports have been published and have no doubt been noted by Honourable Members; and again I might give certain figures to show what has been done in that direction. Cotton does not enjoy any preference; it has the right of free entry into the United Kingdom. Therefore any improvement with regard to the position of cotton was only to be expected from putting into operation the undertaking given in Article 8.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Is there any cotton in any other part of the world which has not free entry?

The Honourable Sir Muhammad Zafrullah Khan: What I mean is that, with regard to cotton, there is no advantage that arises from any preference.

Mr. M. A. Jinnah: I am afraid I was not understood. Has not cotton got free entry from every part of the world into the United Kingdom?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid the Honourable Member did not understand me. I said it has no preference, which means it is free from all countries; and therefore I said that any benefit to be looked to in this connection was the benefit which might result from the activities of the Lancashire Indian Cotton Committee.

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With regard to this the figures of imports of Indian cotton into the United Kingdom are:

	Bales.
Season of 1932-33 (season begins with 1st August) . .	230,000
,, ,, 1933-34	362,000
,, ,, 1934-35	394,000

And the latest advices are that the figures for the period from the 1st August, 1935, to the 12th March, 1936, are 306,000 bales as compared with 207,000 bales during the same period in the last year, that is to say, an advance during the current year of 100,000 bales. Taking the figures on the basis of calendar years and also making a distinction between short-staple cotton and long-staple cotton—because there has been some criticism that although the consumption of Indian cotton has increased in the United Kingdom the consumption has been mainly with regard to long-staple cotton, and, therefore, the anxiety of India to find a market for short-staple cotton has not been eased—I may give the following figures:

In the calendar year 1932 the total exports to the United Kingdom were 133,000 bales, 67,000 out of which were short-staple cotton;

In the calendar year 1933 the total exports to the United Kingdom were 273,000 bales, 113,000 out of which were short-staple cotton;

In the calendar year 1934 the total exports to the United Kingdom were 383,000 bales, 171,000 out of which were short-staple cotton; and

In the calendar year 1935 the total exports to the United Kingdom were 414,000 bales, 206,000 out of which were short-staple cotton.

Therefore, I venture to submit, again, that the activities of the committee which has been set up in pursuance of Article 8 of this Agreement have been of considerable value. But apart from that, in making reference to these articles and commodities, my point was this. Here is the interplay of different kinds of factors with regard to which several matters would have to be examined and explained, criticised and reconciled, before a considered judgment could be pronounced upon the working of the Trade Agreement, and therefore, my submission is that as I have no doubt that the House is anxious that the judgment that it records upon the working of this Agreement should proceed only upon one consideration and upon that alone, that is to say, to what extent the Trade Agreement has benefited and is likely to benefit India's interests and India's trades, I think, if I may say so without impertinence, that the House would be well advised to consider this matter in detail in committee before it considers it again in full session on the report of that Committee. Again, Sir, as I have said before—and I hope I shall not be accused of repetition—I am perfectly certain that the House is fully conscious of its responsibility in the matter—not using the expression in the ordinary sense, but in the sense that any decision that the House comes to with regard to the exercise of the option given in Article 14 of the Ottawa Trade Agreement would be binding upon them. With these observations, I commend this motion to the consideratoin of the House. (Loud Applause.)

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That, in accordance with the recommendation of the Committee referred to in the Resolution adopted by this Assembly on the 6th December, 1932, a Committee of this Assembly consisting of the Honourable Sir Frank Noyce, Sir Girja Shankar Bajpai, Mr. F. E. James, Sir H. P. Mody, Mr. K. L. Gauba, Sir Abdul Halim Ghuznavi, and the Mover be constituted to examine the working of the Trade Agreement concluded at Ottawa on the 20th August, 1932, between His Majesty's Government in the United Kingdom and the Government of India, and to report to the House thereon".

Mr. President (The Honourable Sir Abdur Rahim): There are twelve amendments of which notice has been received, and another in the name of Mr. Jinnah of which notice has been received today. The Chair finds, on going through the amendments, that those which stand in the names of Members of the Congress and the Nationalist Parties are all for denunciation of the Agreement—there is little variation in language, but that is of no importance whatever. There are two amendments in the name of Mr. Gauba.

Mr. K. L. Gauba (East Central Punjab: Muhammadan): Sir, I would only move No. 12.

Mr. President (The Honourable Sir Abdur Rahim): As regards that, it apparently contemplates the Report being considered in Committee subject to certain conditions. Mr. Jinnah's amendment of which the Chair has received notice just now and in respect to which the Chair will be prepared to suspend the Standing Order as regards the period of notice if the Honourable Member wishes to move it, is also to the effect that notice be given denouncing the Agreement in terms of Article 14 of the Agreement; he also makes another recommendation to Government as regards the method of entering into trade agreements. It is clearly unnecessary that all the amendments denouncing the Agreement of which notice has been given by Members of the same Party should be moved. The Chair understands that the Members of the Congress Party, except Mr. Desai, do not wish to move their amendments. As regards Dr. Banerjea and Mr. Amarendra Nath Chattopadhyaya, the Chair does not know if they wish to move their amendments, because theirs are also to the same effect as Mr. Desai's.

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): If Mr. Desai moves his amendment, I will support it.

Mr. President (The Honourable Sir Abdur Rahim): Very well, the Honourable Member will await his turn. The Chair understands Mr. Gauba wants to move his amendment, and Mr. Jinnah, the Chair takes it, also wants to move his amendment.

Mr. M. A. Jinnah: Yes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): All these three amendments can be moved, and the discussion will proceed on all the three amendments as well as the original Resolution.

Mr. Mathuradas Vissanji (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I do want to move my amendment. It is more comprehensive and goes farther than the other amendments.

Mr. President (The Honourable Sir Abdur Rahim): The Chair overlooked that amendment, the Honourable Member can move his amendment too.

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): Sir, I beg to move the amendment that stands in my name:

"That for the original motion, the following be substituted:

'That the Government of India do give notice under Article 14 of the Agreement concluded at Ottawa between His Majesty's Government and the Government of India on August 20th, 1932, that the Agreement is to terminate on a date six months from the date of notice'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for the original motion, the following be substituted:

'That the Government of India do give notice under Article 14 of the Agreement concluded at Ottawa between His Majesty's Government and the Government of India on August 20th, 1932, that the Agreement is to terminate on a date six months from the date of notice'."

Mr. K. L. Gauba: Sir, I move:

"That the following be added at the end of the motion:

'(1) In considering the working of the Agreement, the Committee may suggest such modifications, in the event of continuation, as the Committee may consider necessary in the interests of India.

(2) On the consideration of the Report of the Committee, the House may decide that—

(*a*) the Agreement be terminated, in which case, Government undertakes and shall forthwith give notice of denunciation and take such further steps as may be necessary to this effect;

(*b*) the Agreement be continued conditional upon certain modifications. In the latter case, Government will negotiate along the lines recommended by the House, and any further agreement arrived at with the Government of the United Kingdom shall, before being given effect to, be submitted for ratification to this House.

(3) The Report of the Committee be submitted not later than 15th July, 1936'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the following be added at the end of the motion:

'(1) In considering the working of the Agreement, the Committee may suggest such modifications, in the event of continuation, as the Committee may consider necessary in the interests of India.

(2) On the consideration of the Report of the Committee, the House may decide that—

(*a*) the Agreement be terminated, in which case, Government undertakes and shall forthwith give notice of denunciation and take such further steps as may be necessary to this effect;

(*b*) the Agreement be continued conditional upon certain modifications. In the latter case, Government will negotiate along the lines recommended by the House, and any further agreement arrived at with the Government of the United Kingdom shall, before being given effect to, be submitted for ratification to this House.

(3) The Report of the Committee be submitted not later than 15th July, 1936'."

Mr. Mathuradas Vissanji: Sir, I move:

"That for the original motion, the following be substituted:

'That the Trade Agreement concluded at Ottawa on the 20th of August, 1932, between His Majesty's Government in the United Kingdom and the Government of India be terminated; that the notice of this termination as required under Article 14 of the Agreement be immediately given to His Majesty's Government in the United Kingdom; and that no such Trade Agreement be hereafter concluded with any country by the Government of India except on a basis of complete reciprocity and after previous consultation with this Assembly'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for the original motion, the following be substituted:

'That the Trade Agreement concluded at Ottawa on the 20th of August, 1932, between His Majesty's Government in the United Kingdom and the Government of India be terminated; that the notice of this termination as required under Article 14 of the Agreement be immediately given to His Majesty's Government in the United Kingdom; and that no such Trade Agreement be hereafter concluded with any country by the Government of India except on a basis of complete reciprocity and after previous consultation with this Assembly'."

Mr. M. A. Jinnah: Sir, I move:

"That for the original motion, the following be substituted:

'This Assembly recommends to the Governor General in Council that the Ottawa Agreement, dated the 20th August, 1932, be terminated without delay and a notice of denunciation be given in terms of Article 14 thereof. The Assembly further recommends that the Government of India should immediately examine the trend of trade of India with various other important countries and the United Kingdom and investigate the possibilities of entering into such bilateral trade treaties with them whenever and wherever possible to bring about the expansion of export trade of India in those markets and submit such treaty or treaties for the approval of this Assembly'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for the original motion, the following be substituted:

'This Assembly recommends to the Governor General in Council that the Ottawa Agreement, dated the 20th August, 1932, be terminated without delay and a notice of denunciation be given in terms of Article 14 thereof. The Assembly further recommends that the Government of India should immediately examine the trend of trade of India with various other important countries and the United Kingdom and investigate the possibilities of entering into such bilateral trade treaties with them whenever and wherever possible to bring about the expansion of export trade of India in those markets and submit such treaty or treaties for the approval of the Assembly'."

Mr. Bhulabhai J. Desai: Sir, it is somewhat refreshing to be reminded by the Honourable the Mover of this motion of the responsibility that lies on this House in the matter of the effect of our conduct on any voting that the House may take on this question. It is almost ironical, considering the way in which responsibility has been discharged by them from time to time. But I may assure him, on behalf of those who think with me, that it is with a sense of responsibility that we commend the

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step which is contained in the amendment which stands in my name. Not only that; but it is also an important contrast with the somewhat indecisive and vacillating policy as adumbrated in the motion before the House.

Let me begin not with a long historical account of the kind which has been given by the Honourable Sir Muhammad Zafrullah Khan, but with the Agreement itself; so far as the House is concerned, there are only two clauses to which attention has been called—clause 8 to which I shall come towards the end, in dealing with the question of cotton; and clause 14 which runs in his form:

"This Agreement between His Majesty's Government in the United Kingdom and the Government of India shall continue in force until a date six months after notice of denunciation has been given by either party".

Then, there follows a proviso which it is unnecessary to consider, owing to the manner in which the case has been presented, for the appointment of a committee by the Honourable the Mover. I will also mention the fact that when the Agreement was entered into, under what was called stress of circumstances arising out of the Import Tariff Duties Act of 1932, launching a somewhat new policy on the part of the United Kingdom in the matter of trade relationship with other countries, and after reading the account as given by Sir Joseph Bhore of the justification —and taking at least his language which was unequivocal—the only justification for entering into the Agreement which brought before the House for its confirmation in November, 1932. The way in which the matter was looked at was not so much as to see what would be the effect of the operation of the Agreement in the matter of tariff duties of the United Kingdom on the future trade of India, but, in anticipation and in advance, hustled almost by an apprehension which was unreal, into entering into an Agreement as to one aspect of which at least there are no two opinions, and on that the evidence is unequivocal. Under clause 14 of the Agreement, it was competent to the United Kingdom to give notice for the termination of this Agreement. The fact remains, of which sufficient significance has not been understood, that the United Kingdom during the three years and even now does not seek to terminate this Agreement. It may require a considerable amount of argument in any other regard, but, so far as this one outstanding fact is concerned, it requires no argument at all. It proves one thing conclusively, that so far as the United Kingdom is concerned, it is satisfied that it has gained by the Agreement, which it does not wish to terminate. (Opposition Cheers.) You must, therefore, begin in an examination of this kind—and fortunately I have this advantage that I am not oppressed with an expert having commenced on the other side—there was a layman entirely, to a certain extent better instructed and served, but nonetheless occupying an almost similar position; and the most surprising omission in his speech was the fact that, bilateral as that Agreement is in the matter of India's trade, you have not been told why it is that the United Kingdom still desires the continuation of the Agreement and has never suggested that they required either termination or revision. You, therefore, begin with a most fundamental and important fact, and, therefore, that part of it

would certainly not require examination, that so far as the United Kingdom is concerned, the figures which have been published show clearly that they stand definitely and clearly to gain by the continuance of the Agreement . . . .

Mr. M. A. Jinnah: They are quite satisfied.

Mr. Bhulabhai J. Desai: They are quite satisfied. Therefore, I presume being the shrewd businessmen that they are and looking after their interests, both politically paramount and economically strong, they are not the persons who are likely not to raise a voice if the Agreement in any behalf affected them adversely to the smallest extent. It is that which is the most important back-ground with which to commence, and not in any sense a political back-ground at all. At the time when this Agreement was brought before this House, the result of the votes, as far as I am able to see and read the speeches, was that the House was unable to come to the conclusion on an issue which was wrongly put, whether the Agreement if entered into would be disadvantageous to the interests of India. Sir, I must enter here an emphatic protest against the manner in which questions of this kind are sought to be dealt with for purposes of Indian trade and its expansion and improvement. The question before the House ought to have been, just as they want us now to enter into an examination after a period of three years, to see how the Agreement would work, it was their obvious duty to have allowed the Tariff Duties Act to work and to see what was its effect on Indian trade before entering into an agreement in this somewhat indecisive and dubious manner. I am, therefore, here first to point out that it was done—not in the interests of India,—and the very denial of it shows, and the denial is made more often than not too assertive, that there is a consciousness or a belief that it should not be dealt with on any political ground whatever but can it ever be denied that in the very term "Imperial Preference", there is and must be involved the domination of the stronger partner to the Agreement? (Hear, hear.) The fact remains that of all the parties at the Imperial Conference the one party that was the weakest, the one party that was the most inferior, so far as its political and economic situation was concerned, it was India, and yet, it is said that it will be wrong on our part to point out that the immediate effect was,— you may call it coercion, you may not call it by any stronger term,—that it has not been to the advantage of India, but you are certainly bound to see in it the motives underlying the Agreement from the very manner in which it was rushed through, and the way in which it was brought and the ground on which it was accepted by the House.

Then, Sir, I cannot understand why it was said that we must give it a three years' trial, as if they might as well say, considering the speech that has been delivered in support of this motion, that perhaps another ten years would not show those tendencies are going to work out. It is really almost an offence to this House, almost a dereliction of its duty on the part of the Government of India that at all events, having entered into the Agreement with an indecisive feeling in their own mind, that even at the end of three years, instead of asking for a Committee, they ought to have got it examined by any expert or by any authority they liked and placed before this House their positive opinion as to what was the effect of this Agreement on India, because they undertook the responsibility

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of entering upon it, and it is not up to them to say now: "We do not know how it works, there are tendencies which are said to be negative", called in a sense insurance. It is very much like, Sir, the case of a physician who, if he cannot do any good to his patient, often says: "If I had not treated you, might have been easily worse". Well, if that is all that the Government of India can say, I think they themselves, on their own showing, have made out a case for the amendment for which we stand, for, Sir, it was up to them as a part of their absolute duty to have got it examined by some experts or by some recognised authority. And why did they not do it? I am not one of those who believe that they have not done their duty so far as they themselves and their internal councils were concerned, but I am one of those who believe that a legitimate inference can be drawn from the fact that they are not able to come to this House and say, that while this Agreement has admittedly done good to Great Britain it has also done a proportionate and adequate good to this country. What prevented them from examining the agreement with the two experts who have been sworn in today for purposes of supporting it in this House. You don't need the experts here if the point in issue is you will examine it in future. Therefore, I take it that in their own heart of hearts they believe they have got to prove the true issue for which they ought to have been prepared and of which the burden lies upon them. If they are not, they stand condemned, and if they are, they stand even more condemned, in that it was their duty to take the House into their unreserved confidence as to the examination of their results. The points which have been touched upon towards the end of the Honourable the Mover's speech are those which I propose to deal with shortly myself, but in the commencement, Sir, it is these three important matters to which I wish to call the attention of the House. After that, I wish to call the attention of the House to a Committee which was appointed in the year 1934 for the examination of the working of the Agreement during that period. I am not complaining here, and I will not detain the House with a complaint that that was not brought before the House, though I am here to say that it was their obvious duty to have brought it before this House. (Hear, hear.) I will not detain the House also by reading what appears to be a somewhat dubious conclusion of the Report as signed by the several Members calling themselves the majority, but the clear verdict contained at page 54 of Mr. K. C. Neogy, Sir Abdur Rahim and Mr. B. Sitaramaraju is the one that I wish to read, and I wish to read it for more than one reason, not only because it contains a clear judgment according to their conception, but also because in the light of that opinion, it was the duty of the Government of India not to allow the matter to drift but to take it up immediately there and then. Their conclusions are:

"(1) That the preferences given by the United Kingdom to our agricultural products have not to any extent that matters helped India to recover lost ground. On the other hand, the preference given by us to the United Kingdom's import has adversely affected our foreign markets.

(2) The heavy deficiency in our exports, which is the most disquieting feature of the situation, is mainly due to the weakening of our foreign markets, and the small increase in the exports that there has been in 1933-34 as compared with the previous year, is not such as to re-assure us that India is on the fair way to economic and financial recovery.

(3) Having regard to the economic policies adopted practically by all other countries, trade agreements on the basis of mutual interests seem to be inevitable."

I don't want to read their recommendation in detail. This is what was reported to the House on the 30th of August, 1934. Yet, what is the excuse, what is the explanation offered for continuing to drift for a period of two years thereafter? For there was nothing certainly in Article 14 requiring them to go on for a period of three years, irrespective of its effects or advantages or otherwise, on India and the sole interests of India, but the fact remains that they were the agents of the Secretary of State, and being the agents of the Secretary of State, their attention was more directed to their masters than to the interests of India to which we are often told we ought to pay unqualified and exclusive attention. I believe, Sir, the boot is on the other leg, for, if in 1934 responsible elected Members, even in that Assembly, of the standing to which I have called attention, came to that conclusion, it was up to the Government then to bring it up, make their own Report upon it. So far as Dr. Meek's and Dr. Matthai's Reports are concerned, I shall have to say a few words later, but the matter was not examined as it ought to have been examined in view of the definite opinion expressed in 1934 by three Members of the Assembly. The matter, Sir, does not rest there. So far as the Federation of Indian Chambers is concerned, so far as the Indian Merchants' Chamber of Bombay is concerned, so far as the Indian Merchants' Chamber of Calcutta is concerned, they have definitely expressed their opinion that the Agreement, on the whole, has not worked for the benefit of India, and a notice of termination should be given. As against that, I have not seen any other opinion expressed by the British interests even in this country.

Now, Sir, after all is said and done, the expert's opinions do not matter in the light of this affirmative evidence provided by persons whose interest and daily interest is touched and affected. I have been told by my friends that they are cleverer than those whose pockets are touched and who understand their interests. But we would rather not take their speculative advice, but prefer the more concrete foundations of those who are able to say how much money goes into their pockets and how much money goes out of their pockets. They cannot be under a mistake, if two rupees have gone out, that they have, have gone out, though my friend, the expert, may lead them to believe by a jugglery that they ought to think that what is not a fact is a fact and both the rupees are there. So that, the question no longer depends on the advice of experts at all. After all, you are considering the interests of the trade of India, and who is more fit to pronounce as the result of the trade operations than the interests affected by those operations? Therefore, it requires no examination by our friend, the expert who would say, "If you had not done what I had told you, you might have been worse", a proposition which cannot be tested. "What I am telling you is this. If you do not continue to take my nostrum, you may be even worse in future." That is not the kind of thing that a man endowed with any common sense, trained either in business or in law can pay heed to at all, and I am really surprised that experts should come in where the patient is in a position to pronounce upon his own condition,—its advantages and disadvantages, and benefits. We are, therefore, face to face with this issue,—on those opinions which have been expressed, is a further continuance of this Agreement to be agreed to? The next issue is, what is to be lost so far as the interests of India are concerned? I am informed, during the course of the argument and during the course of

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many of the criticisms which have taken place, that if we give notice of termination, we lose the United Kingdom's good will. Sir, I have been advising business people for a period of some 30 years, and my Honourable friend, Mr. Jinnah, has done that for a further decade. But I have never yet known that if two business men enter into an agreement there is any question of passion or prejudice; if either of them having the right to give notice of termination does so, he loses the good will of the other man. It is a well-known thing, you may have a lease for a period of three years for instance, with a proviso of six months' notice of termination, and it is the notice of termination which brings about, or which is the only inducing cause for a better agreement. If you choose to continue to suffer disadvantages and not to give notice, there is no inducement for anybody at all, particularly for the other side who is entirely satisfied with the results. Why should Britain give any notice? Why should Britain revise anything? They have no inducement to do so. My respectful suggestion to the House is that a genuine inference from any trade understanding of matters of this kind is that you are entitled to suppose that the only way to bring about a negotiating mind in those who have a decided advantage is to say, "So far as I am concerned, you have six months' notice, so that we may consider whether other and better terms could not be negotiated between us". Therefore, from the point of view of business I personally fail to see how it can be said, with what face are you going to deal with the other party for the purpose of revision of this Agreement? The party that is at an advantage and thinks it beneficial has no reason, whatever, to enter into another agreement. Even if you went there, you would be told, "Why should we?" But if, on the other hand, we say, "We will terminate this Agreement, notice will be given towards the end of April terminating in the month of October", then we have got a real period of six months, an effective period of six months, within which they must either continue at the end of that term with a better state of relationship between us, or let it be terminated. Having regard to the basic fact that it has worked to the advantage of Britain, that is the only way in which any man with any business sense would go about this matter if this Agreement is to be revised at all. That brings me to this. According to the opinion of businessmen themselves, in the summary of conclusions they have come to on a detailed examination of the Agreement, a detailed examination of which we are asked now to undertake for the third, fourth, or fifth time—a detailed examination by the Federation of Indian Chambers of Commerce and Industry shows this. I will take by articles a little later, and I wish, as far as possible, to confine myself within the limits of the time that have been imposed upon me:

"The examination of the several commodities in the export trade of India leads one to the following conclusions :

(*a*) In the case of linseed oil, hides and skins undressed, pepper, tobacco, pig lead, in spite of the United Kingdom increasing her imports, she took less from India and the extra market made available was either taken up by the Dominions or foreign countries.

(*b*) In case of rice, oil-seed cake, rice meal and dust, ground-nut, pulses, goat skins, the United Kingdom took no doubt more from India but India's exports to other non-Empire countries suffered. Some of these illustrations point out how diversions of trade have taken place.

(*c*) In case of coffee and tobacco, even with a preference, India could not improve her position because of certain factors which are permanent features of these particular articles but which were ignored by the Delegation . . . .

In case of a number of commodities as has been pointed out in clause (*a*) above, India lost her ground in the United Kingdom market in spite of a preference and the extra market available in the United Kingdom was taken up by other countries. It will be found that the non-Empire suppliers are neutralizing the 10 per cent. preference by the greater depreciation of their currencies.

The examination of the import trade of India conclusively proves the apprehension held out by the Indian public that India was made to pay at Ottawa a premium to the British manufacturers for their inability to compete with continental manufacturers by making available to them greater share in the import trade of India under the Ottawa scheme of preferences. In practically every line of import trade, the United Kingdom secured either a substantial gain or consolidated her position in several of the important items of imports into India, such as, chemicals and chemical preparations, instruments and apparatus, machinery and mill-work, iron and steel, rubber manufactures, motor cars and cycles. Under all these heads, the United Kingdom secured a substantial advance in her trade with India".

The conclusion, therefore, is once more reinforced after a period of four years, the conclusion which was reported to this House and ought to have been considered in the month of August, 1934:

"That India's export trade in agricultural produce with the United Kingdom did not show any substantial advance owing to the fact that the British dominions securing similar preference gained a better and stronger footing in the United Kingdom market over India's produce;

That the intense economic nationalism initiated by the United Kingdom in creating an economic block within the Empire has restricted the growth of internationalism of trade instead of encouraging it and forced a number of manufacturing non-Empire countries to resort to import licenses, quota restrictions and exchange control to arrest the passivity of trade, which measures, in case of India, affected her export trade to these non-Empire countries".

It is now almost a common place that, as against three crores of gain, which is sought to be pointed out in the reports of Dr. Matthai, there are twenty-four crores of loss of foreign trade of India. The only explanation that has been vouchsafed is that those countries, in their own interests, in order to balance their own trade, have resorted to this course. The shortest answer to that is obvious. You are not able to receive from these countries some of their articles, they are entitled not to receive the import of your goods, and that is the reason why our trade with non-Empire countries has suffered. So far as they are concerned, they would not take any of our raw products because we have, as a result of the preference, refused to take their finished goods. Therefore, the very reason given is sufficient to show that there is every advantage, so far as the Agreement is concerned, in its being now terminated. As regards the tendencies, I wish to point out that it is one of those nebulous things which it is very difficult to examine the value of. But, is it because the problem is difficult, therefore, we are to be launched into a region of speculation, or are we to test it upon the touchstone of the opinion of the interests affected, not an opinion on an issue of a purely political character, not an opinion on a matter in which they do not individually participate, either by way of profit or by way of loss, but an opinion, the touchstone, whether they stand to gain or stand to lose. I am told that I am oppressed by the opinions of merchants as opposed to the expert, but let me tell him that, whereas his opinion puts him to no loss, except a speech in this House, the opinion of those who suffer or gain is the real and better opinion by which we would choose to go. In so far as the articles to which attention has been called are concerned, I will deal with only linseed and cotton. As to linseed the position is extremely simple:

"It was generally agreed in 1932 that linseed was a crop which was most likely to profit from a preferential treatment. The trade figures for 1933 and 1934 show a

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most revolutionary change in the imports of linseed into the United Kingdom. During these two years, India supplied much larger quantities of linseed than Argentine, which has during the post war period been the chief supplier to United Kingdom. This change seems to have been chiefly due to a shortage of crops and an increase in price of the Argentine linseed. On account of the shortage of crops in Argentine, the demand for Indian linseed increased not only in the United Kingdom but in the entire world market".

Therefore, so far as this is concerned, the explanation is obvious and requires no investigation. So far as cotton is concerned, Article 8 clearly shows that there is no obligation. This is a pious wish which they may or may not fulfil. To call it an Agreement, I submit, is to use a wrong phrase altogether. Article 8 says:

"His Majesty's Government in the United Kingdom undertake that they will co-operate in any practicable scheme that may be agreed between the manufacturing, trading and producing interests in the United Kingdom and India for promoting, whether by research, propaganda or improved marketing, the greater use of Indian cotton in the United Kingdom".

If a clever man, and a hard headed lawyer that he was at all events before he came here and who still has that training in his mind, calls this an agreement, I would certainly tell him that he ought to reconsider the meaning of the word 'agreement'. An agreement which involves no obligation, the non-fulfilment of which does not in the least degree expose him to any loss is, according to my humble understanding, no agreement at all. As to tea, the Honourable the Mover has himself given the answer.

The Honourable Sir Muhammad Zafrullah Khan: If my Honourable friend reads my speech in print later on, he will find that I have described it quite correctly.

Mr. Bhulabhai J. Desai: Article 8 of the Agreement contains an article which, on his own admission, is not an agreement.

The Honourable Sir Muhammad Zafrullah Khan: I have not said that. When you read my speech, you will find that I have described it quite correctly.

Mr. Bhulabhai J. Desai: I have only one word more to say on the question of tea. So far as tea is concerned, the countries affected by the Agreement are Java, Ceylon and India and I think even an expert business man would not be able to separate the effect of the Agreement and say what the effect would have been if the Agreement had not been made. India is a debtor country and Britain takes at least 40 crores as pointed out by the Honourable the Finance Member for invisible services—they are very invisible indeed! And we pay in the shape of our raw products. It is unthinkable that India, if she had stood on her own ground, could have been rushed into this Agreement as she has been. It always pays a creditor to keep the debtor a solvent country, as was proved in the case of Germany after the Treaty of Versailles. It is a matter of common knowledge that you cannot go on taking gold for the purpose of balancing your trade. A time must arrive when you must take other products, for gold cannot be eaten. You can only preserve it for the purpose of backing your currency. I, therefore, submit, that both in the initial stages in 1934 and in the year 1936, there is a unanimity of opinion, which the Government of India have not dared to contravert, in favour of an immediate notice of the denunciation of this Agreement.

Mr. K. L. Gauba: Sir, the Leader of the Opposition usually likes the final word on every subject of great occasion. Today, Sir, he has preferred to be the oracle of termination, but, I hope that he will at least concede that the arguments that have been advanced in the last 35 minutes are not the last word on an important subject of this character. Shorn of the elegant phraseology of which he is a past master, I am afraid, my friend, the Leader of the Opposition, has not really met the case which is before the House. The case is not—as he seems to suppose—between the continuation of the Ottawa Agreement and the termination of that Agreement. Let us be quite clear as to the issue before us. The issue now before the House is whether this House is to denounce the Agreement, or to go into committee on this question. The point put forward by the Commerce Member is: this is a complicated case, this is a case in which there are a great deal of figures on both sides; there are a great deal of considerations and a large number of commodities. All these matters cannot be discussed on the floor of this House. That was the point of the Honourable the Commerce Member. Now, Sir, what is the answer of the Leader of the Opposition to that? The Leader of the Opposition tried to make out a case for a termination of the Ottawa Agreement: and, what was that case? "The United Kingdom is not seeking to terminate this Agreement. Therefore, we should seek to terminate this Agreement." I submit that is neither here nor there. Another argument advanced by my friend, the Leader of the Opposition, was that "the Government should have examined the working of this Agreement, and put forward recommendations: since the Government has failed to do so, therefore we should terminate the Agreement". I submit that the case before the House is really much more serious than that.

Mr. B. Das: You have not understood him.

Mr. K. L. Gauba: I have understood him perfectly. My friend, the Leader of the Opposition, will concede that those who differ from him are as much interested in the welfare of the country as he is.

Mr. B. Das: What does your Lahore Chamber say?

Mr. K. L. Gauba: I will come to that.

The value of a committee, and the desirability of a committee, should be obvious to Members of this House. The other day, we had the Delimitation Report placed for the consideration of this House. It was Pandit Govind Ballabh Pant, one of the leaders on the Opposition side, who said, and rightly said, that that was a complicated matter, involving many considerations, and that, therefore, the matter should be considered in committee, where members could interchange ideas in a manner which they cannot do in this House. So far as the Ottawa Agreement is concerned, it is an infinitely more complicated matter than the Delimitation Report. The Government may have a good case or not for the continuation of this Agreement. That is neither here nor there. I would ask the Leader of the Opposition? Why do you burke an inquiry? Why do you shirk an inquiry? After all, what do you lose by an inquiry? If the Government give you an undertaking that the report of the committee will be placed before this House, and this House will consider it, and that the decision of the House will be carried out, why do you run away from an inquiry? Why do you fight shy of an inquiry?

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Now, let us take the other side of the question, namely, whether my friend, the Leader of the Opposition, has made out a case for the termination of this Agreement. I submit, in this connection, Sir, that what we have to do today is to see whether there is a *prima facie* case, just a *prima facie* case, for a further investigation and negotiation. If there is such a case, the necessity of a committee becomes irresistable. I perfectly agree that a mere historical investigation may be neither here nor there, but if the Government of India go further and say, that, on this investigation, they will negotiate as a result of the labours of this suggested committee for further tariffs, I say, that is a valuable position which this House should not throw away.

Now, Sir, let us for a moment see what is the best case made out for the termination of the Ottawa Agreement? That best case, I submit, *has not* been made out by the Leader of the Opposition; the best case will be found in the "Note on the Ottawa Scheme of preferences" from which he quoted and from which I also propose to quote presently. Now, the case there set out, in substance, is firstly that the United Kingdom has made more out of Ottawa preferences than India has. And secondly, that a policy of preference results in retaliation by other countries. The first is a frivolous argument. Now, so far as the second question goes, namely, the factor of retaliation, I would ask the House to bear with me for just two minutes. Neither in the "Note on Ottawa Scheme of Preferences" above referred to is any indication given as to what are these retaliatory measures which are alleged to have been taken as a result of the Ottawa preferences. Sir, a list of various Acts passed by various countries was circulated by the Commerce Department to Honourable Members the other day. In that you will not find a single enactment which really covers the point so far as retaliation goes. Now Sir, if we do not accept this report, I say, "well, throw it aside, throw aside the statements of the Commerce Member and of the Government". Now, let us take Mr. Satyamurti's statement. After all, Mr. Satyamurti is a person on whose statement everybody can rely. (Laughter.) What does Mr. Satyamurti say on the question of retaliation? Mr. Satyamurti, Sir, circulated a confidential note for the edification of the Members of this House; it was marked confidential; but it eventually appeared the next day in the *Hindustan Times*. He says this. The question he asks:

1 P.M.

"What has been the reaction of foreign countries to the Ottawa Agreement?"

He answers the question himself, as follows:

"The fall in our exports to foreign countries has been 8 crores of rupees, i.e., from 64 crores in 1932-33 to 56 crores in 1934-35, *i.e.*, 12½ per cent. *But the whole of this fall cannot be ascribed to the Ottawa Agreement; because of the general depression in Europe and elsewhere of the exchange restriction, quota systems, tariffs, etc.*"

Well, Sir, I submit here is another *prima facie* point for investigation by this Committee.

Then, my friend, the Leader of the Opposition, referred to the "Note on Ottawa Preferences" by the Federation of the India Chambers of Commerce. I will refer to it briefly. But, I do not know, Sir, whether you intend to enforce a time-limit so far as my speech is concerned, but anyway I presume there is a time-limit. Sir, the Leader of the Opposition had 35 minutes, and, I Sir, might claim a little indulgence from you . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think the Honourable Member has a right to ask the Chair to exercise its discretion in his favour.

Mr. K. L. Gauba: I was referring to the Note on the Ottawa Scheme of Preferences which was quoted by the Leader of the Opposition. He referred to various commodities cited at page 71. He referred to the commodities where the United Kingdom took less from India. He also referred to certain of the commodities in which the United Kingdom took more from India. There is a third class of commodities on the same page of the report, *viz.*, coffee and tobacco, where it is stated that India could not improve her position. But, Sir, in this very report you will find the explanations of the two cases referred to by my learned friend, the Leader of the Opposition, *viz.*, in the first case the explanation is given at page 72 where it is found that the reason why Indian goods did not get the fullest advantage in the United Kingdom is because of non-empire suppliers neutralising the ten per cent. preference by the greater depreciation of their currencies. So far as coffee and tobacco are concerned, the reason given in the report is that:

"Certain factors which are permanent features of those particular articles were ignored by the Delegation. Indian coffee is of a superior type and not suitable for large-scale consumption in the British market".

Now, Sir, I submit that if that is the case, and it is the case, the Committee can certainly recommend, and I am sure the Government of India would negotiate on the recommendations of the Committee, that on these articles, for these reasons further preferences are necessary, and there is no reason why the Government of India should not be able to get further protection for India on these articles.

In this connection, I might very well refer the House to a book "Revision of Ottawa" that was circulated to many Honourable Members written by Professor Ghosh, Reader of Economics in the University of Bombay. It is a book entirely devoted to the question of the Ottawa Agreement. Well, Sir, if some friends on the Congress Benches feel that Mr. Ghosh is a partisan, I will refer them first to his statement at page 65 relating to the export of pig lead from India. Here he says:

"Our total exports and exports to United Kingdom declined between 1932-33 and 1934-35. On the other hand, exports to other countries increased."

These remarks suggest that preference did not help us to increase our trade with the United Kingdom.

Well, Sir, you will see he admits that there was a decline so far as that article is concerned. Then, he goes further and considers the other commodities and analyses them as Chambers of Commerce have done, in order to see whether there has been an increase. His final conclusions are important. He continues to take a fair view of the case. He has given the cases where India has and has not gained as much as she might have, and after considering all facts on both sides he arrives at certain conclusions: these will be found on page 86. It cannot be said that he is a biassed observer, or that he has any political axe, or any other axe to grind, in the matter. What he says is this:

"It was found that in the case of an important group of commodities, *e.g.*, groundnuts, which we had to dispose of largely outside United Kingdom, British preference was of little or no value to us. In respect of another and equally important group

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of articles, *e.g.*, tea, however, this preference was certainly valuable to us sometimes in improving our position in United Kingdom relatively to foreign suppliers, sometimes in defending it against other Empire producers. Moreover, though in some of these cases our gains in the United Kingdom were at the expense of our position elsewhere, there was a net improvement of our total exports".

Then, finally, he comes to his conclusions. What are his conclusions after considering the Ottawa Agreement in a fair and judicial manner? After taking into consideration what India has gained and what India has lost, he says:

"Thus it would not be to our interest to scrap the Agreement altogether. We have to be satisfied, under existing conditions, with mending it. As we have seen, the defects of the present agreement themselves call for such a revision".

Dr. P. N. Banerjea: Please read the third paragraph on page 87.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member himself can read it. Let the Honourable Member go on with his speech.

Mr. K. L. Gauba: The paragraph in question does not help my friend, Dr. Banerjea. It is not necessary to read it as I have got very little time left to finish my speech.

I will ask you now, Sir, to consider the figures comparative of India under the working of the Ottawa Agreement with the figures of similar trade in similar years of other Empire countries. I will refer the House, in this connection, to the figures prepared by the British Board of Trade and laid before the Empire Parliamentary Conference last July. Two statements were placed before us at the Conference and I will refer to them. One is the total declared value of the United Kingdom Exports to the 'Ottawa' countries during the years 1932 and 1934, and the other is the total declared value of United Kingdom imports of merchandise from the 'Ottawa' countries during the same period. Now, Sir, what do we find? We find that the total value of exports of United Kingdom exports to the 'Ottawa' countries during the years under reference, there was an increase in the case of Canada by three millions, Australia six millions, New Zealand one million, Union of South Africa 12 millions, and India 2½ millions. The total value of imports during the same period from the 'Ottawa' countries: Canada seven millions, Australia four millions, New Zealand three millions, the Union of South Africa lost trade by three millions, and India gained by ten millions. I say, from these figures, that *prima facie* India has not done so badly out of the contract as my Honourable friend, the Leader of the Opposition, would have us believe. *Even* as compared with other Empire countries working during the same period of time!

I will now conclude by referring you, Sir, to the importance of my particular amendment. My amendment presupposes the appointment of a Committee. So far as the personnel of the Committee is concerned, I would beg of the House to put the personnel of the Committee completely out of its mind. The Congress Party in this House was asked to nominate its Members and I believe the Honourable the Commerce Member is

perfectly willing at any time to have Congress representation on the Committee and if the Congress Party feel that they would like to have another seat, I am quite ready to give up my seat to them. But, Sir, I do feel, that the most important party in the House should not shut its eyes to the fact and say, "No, we want to terminate; willy-nilly we are not prepared to go into the facts under any circumstances". What I do consider about the Agreement is this. That the Government should make it clear and should make it explicit that the report of the Committee will be placed for the consideration of this House, for the decision of the House and whatever be the decision of the Committee, whether for termination of the Agreement, or for modification of the Agreement or for negotiation, the Government will faithfully and loyally carry out those recommendations.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): They have already said so.

Mr. M. A. Jinnah: They have already made it clear.

Mr. K. L. Gauba: When the Government have made it clear, then I see there is no answer which the Congress Party has for refusing to serve on the Committee. They have absolutely no answer for refusing the offer. (Applause.) With these remarks, I commend my amendment for the acceptance of the House.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Mr. Mathuradas Vissanji: Mr. Deputy President, in moving the amendment that stands in my name, I shall not waste much time in explaining what my amendment seeks to achieve. It is a simple refusal to continue any longer the Ottawa Agreement, and desires Government to give notice of its termination, as required by one of the Articles of that Agreement. And, lest, at any time in the future, another such Agreement might be made to the prejudice of this country, without any knowledge or consent on the part of this House, my amendment seeks to prohibit altogether the making of any new treaty, with any country within or outside the British Empire, except on a basis of perfect reciprocity, and only after previous consultation of this House. We do not desire, Sir, that any new treaties of this kind be made, which would create powerful vested interests in our country. The protection of these interests would impose additional safeguards and restrictions upon the powers of the future Government of India, which this House can never be a party to. The purport of my amendment is, not so much to negative the very principle of a trade treaty; but to have such treaties, if we must have them, separately with each individual country, on a basis of perfect reciprocity, and with the full approval of this House, so that no awkward vested interests be created to our prejudice.

[Mr. Mathuradas Vissanji.]

And here let me reply very briefly to the charge made by Mr. Gaub that those who desire an immediate termination of the Agreement are really shirking an inquiry. We are not shirking an inquiry; we do not want any, simply because we do not see any need for wasting any more time and suffering further loss to our trade. There have been already two or three official inquiries and reports by a Committee of this House, and by the experts of Government. There have been also Trade Commissioners' reports and all these more than serve the purpose of an inquiry. Without wasting more time, and permitting more damage to our trade, we want to terminate it; and so there is no need for a Committee.

This, Sir, is a proposition, which, in the opinion of all the organisations representing the industry and commerce of this country, is indisputable. From that standpoint, it is needless to waste any more time, and inflict any more loss on the country's trade, by such devices as an investigating Committee, as the original motion seeks to do. For, what, Sir, can the Committee of the type suggested by the Honourable the Commerce Member tell us that we do not know, in general terms, already? As it is, we have had two special reports from the Director General of Commercial Intelligence and Statistics on the working of this Agreement; and the purport of both of these is condemnatory, almost without qualification. Moreover, the Annual Trade Reviews, the Reports of the Trade Commissioners in this country and of this country abroad, make it evident beyond the possibility of misunderstanding, not only that the trade of India has received no such benefit as some of the advocates of the Ottawa Agreement expected; but has positively suffered a setback, which all the sophistries of the special articles recently published by the Director of Information cannot explain away. I, therefore, think, Sir, the House need not waste a moment in disposing of this question by such a dodge as the appointment of another Committee to investigate into a matter that has been discussed threadbare.

As already indicated, Sir, I shall adduce, in support of my argument, the evidence only of the official authorities already referred to. The three main grounds, on which I would condemn unreservedly this Agreement, and would terminate it forthwith, are: that (1) it has ruined our trade with other countries, and not benefited it with the countries enjoying special preference even to the extent of compensating us for our loss; (2) that it has interfered seriously with our Balance of Trade by favouring specially countries with which we habitually have a passive balance, at the expense of the countries with which we normally have an active balance; and (3) by its very existence, it has prevented the development of those Indian industries, which may be competing with the corresponding industries of the countries enjoying preference in the Indian markets, or precluded them from developing to the full extent to which they would have developed in the absence of such preference to their most formidable rival; and so injured the general economic position of this country, for which the consequences of the Treaty afford no compensation.

Taking these arguments seriatim, there can be no dispute over the fact that the aggregate value, and even the volume, of India's foreign trade has substantially diminished. The post-war average of India's foreign seaborne trade is given in the latest Trade Review at 573 crores of stores and merchandise, while the corresponding total for 1934-35 is given

by the same authority at 293 crores, or a fall of nearly one-half. The fall is in reality much greater than it appears in terms of Rupees; for the gold value of our exports has fallen even more than that of the imports; and so, the general decline in the value or volume of Indian trade is much more substantial than appears from those figures.

Not all this decline is explained away, despite the heroic efforts of the compiler of the special articles of the Director of Information by the existence of special conditions or policies in other countries. For, forms of Economic Nationalism were in operation in the European countries, America and Japan, even before the great depression began. Yet they had not affected the trade of this country in a downward direction, until the United Kingdom went off gold, and ceased to be a free market that it was before the imposition of import duties and a Protectionist Policy in general in that country. The real reason why our trade has, since 1931-32, been particularly adversely affected lies, according to the disclosures of the authorities already cited, in that policy of restriction, protection or preference—call it what you like—which Britain adopted in 1932 for her own insular reasons. She compelled this country to follow this policy, so that other countries, formerly trading handsomely with us, have been obliged perforce to curtail their purchases in this country, because they cannot sell their products to this country on anything like a fair exchange basis.

Let me, at this point, dispose of one of the sophistries of the official propagandist in favour of this Agreement. He admits, in the second article of the series, that even compared to 1931-32, the total value of all Indian exports has fallen by about 3½ per cent. in 1934-35, the exports to the United Kingdom improved without, however, making up for all the loss suffered by India because of the preference granted to that country. While the total exports fell from 157.6 crores in 1931-32 to 152.39 crores in 1934-35, the improvement in regard to exports to the United Kingdom of 5.81 crores was more than counter-balanced by the decline in exports to other countries from 114·7 crores to 104·3 crores. While the total value of all exported articles enjoying preference was 110.93 crores in 1931-32, and 94.41 crores in 1934-35, the exports of these articles to Britain were, in the same period 33.3 crores, and 36.7 crores respectively; while with other countries, the exports of these same articles varied from 77·63 crores to 57·70 crores. In other words, in the preferred exports, while we improved our trade with the United Kingdom by some 3.4 crores, we suffered a loss of nearly 20 crores with other countries in these same articles.

The same tale is repeated in non-preferred articles, also with a more lurid light on the working of the Agreement. The total exports of these non-preferred articles were Rs. 46.63 crores in 1931-32, and 57.98 crores in 1934-35, actually an improvement without the very dubious aid of Imperial Preference. Britain herself took, of these non-preferred goods, 9.58 crores worth in 1931-32, and 11.36 crores worth in 1934-35, while other countries took 37.05 crores in 1931-32, and 46.62 crores worth in 1934-35. If these figures teach any lesson, they show that preference within the Empire is by no means necessary for improving the trade of India. The fiscal policy of other countries has always aimed at economic nationalism, which however did not prevent them from buying India's foodstuffs and raw materials, to keep up their own industries.

[Mr. Mathuradas Vissanji.]

Coming to my second argument, I may give here some statistics of the ruin of our favourable position in respect of the Balance of Trade, which has turned this country, from being a heavy importer of specie, after meeting all current obligation on account of her "invisible Imports", into as heavy an exporter of gold. With the United Kingdom, we always held an unfavourable balance of trade; and this Agreement has done nothing to alter that. Our adverse balance of trade with the United Kingdom was:

	Rs.
in 1929-30	36·5 crores.
in 1931-32	2·0 ,,
in 1932-33	11·8 ,,
in 1933-34	0·3 ,,
in 1934-35	6·2 ,,

To meet this adverse Balance of Trade, and a still heavier adverse Balance of Accounts, we must have favourable balance of trade with other countries. Now, it is an irony of fate, Sir, and the peculiarity of this Agreement, that, precisely those countries with which our trade is, on the balance, favourable to this country, are penalised; while the United Kingdom—whose trade and other dealings with us do not leave a favourable balance at all—is benefited. While our favourable balance of over 10 crores with Germany in 1929-30 was converted into an unfavourable balance of 3.1 crores in 1934-35, favourable balance with other countries was reduced by from 75 per cent. to 33 per cent. as the following figures would show:

	Balance in crores of Rupees.	
	1929-30.	1934-35.
Nether'ands	4·9	1·2
Be'gium	5·4	2·0
France	12·2	3·7
Italy	4·6	2·7
Japan	8·7	3·3
U. S. A.	18·6	4·5

This is inevitable, when we remember that, while the exports of Indian merchandise have fallen as compared to the 1929-30 level from 310·8 crores to 151·2 crores in 1934-35, or by 52 per cent., imports into India have fallen from 238.9 crores to 131.1 crores in the same period, or by about 45 per cent. The imports from Great Britain and non-Empire countries show the same tendency in a still marked degree. The imports from the United Kingdom were Rs. 44.8 crores in 1929-30, and Rs. 53.7 crores in 1934-35 or an *improvement* of 36 per cent. while those from other countries have declined from 69.8 crores to 66.9 crores or a fall of nearly five per cent. Under these conditions, our balance of accounts must be inevitably prejudiced against us.

I have already referred to the statistics of Indian exports receiving preference in the British markets. I will not retail here the tale of the several articles, which were supposed, at the time this Agreement was boosted, to broaden considerably their market in the United Kingdom, but which have sadly belied all expectations of their sponsors. Whether

it is the case of Indian rice, wheat, seeds, coffee or similar articles, there is everywhere the same disappointment. The reports of the Trade Commissioners are far too eloquent in this regard to need any repetition. Despite his resolve to prove an impossible case, the compiler of the special series of articles is unable to deny this feature, nor prevent the disillusionment that must naturally arise in every dispassionate eye contemplating such evidence. Britain has never foregone her right to buy in the cheapest market, preference or no preference. All that this Agreement was intended to achieve was to improve the trade of Britain and the markets for her industries unable to compete on equal terms with her new rivals. And this the Treaty has eminently accomplished—no matter how the Indian trade and industry fare in consequence. I would not, Sir, have objected to such an arrangement if, as a result thereof, both India and Britain had gained equally or at least substantially. But when we find, as these figures show, that the gain is wholly for Britain and the damage is exclusively to India, no fair-minded person can expect us to support or continue this one-sided Agreement. To Britishers this may not be a very serious question. But to us, in this country, the phenomenon cannot but give food for furious thinking; and, were there no other reason, I would submit, Sir, that for the injury this kind of Agreement works upon India's nascent industries, it must be condemned and never resorted to until our indigenous industry has grown to the full stature that its inherent advantages afford it.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member has one minute more.

Mr. Mathuradas Vissanji: I will finish it, Sir. Because of preference to British competing industry, Indian industry, either cannot grew to the full size, or, if it does succeed in marketing the whole of its output, it must do so in subordinate co-operation with the products of the senior partner in the firm of John Bull, Unlimited. And because our industry cannot grow, under this handicap, to its full legitimate stature, our labour must remain unemployed, our agriculturist over-burdened, even our capital lacking in suitable and profitable investment.

For these reasons, Sir, I think it is useless for us to waste any time upon a further examination of the dire consequences of this precious Agreement, but we should forthwith terminate it, and refuse to conclude any new treaty with Britain, or any other country, except on a basis of perfect equality and reciprocity, and after consultation with this House.

Seth Govind Das (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I rise to support the amendment moved by my Leader, Mr. Bhulabhai Desai; and, in doing so, I will not have any other consideration before me, but the only consideration whether this Trade Agreement has been in the interests of India or not. The Honourable the Commerce Member, in his speech, dwelt at great length upon the history which resulted in this Agreement. He said that the principle upon which this Agreement is based was being advocated since the year 1903, and it was on that principle and that principle alone that this Agreement has been made. Now, as far as the historical facts are concerned, I am one with the Honourable the Commerce Member. I admit these facts, but the question is: who wanted this principle to be accepted—the British Government and their agents, I mean, the Government of India, or the real representatives of the people of this land?

[Seth Govind Das.]

The principle of Imperial Preference on which this Agreement is based was being advocated since the year 1903 by the British Government and the Government of India; but, as far as we are concerned, as far as the representatives of the people of this land are concerned, as far as the commercial opinion of this country is concerned, we have all along been opposed to this principle of Imperial Preference. At the time when the protection was given to our steel and textile industry, we made it clear that though we were agreeing to give some preference, in return for the preference to our industries, it should not be presumed that we were accepting the principle of Imperial Preference. I admit that in the year 1903 the first effort was made. . . .

Mr. M. S. Aney (Berar Representative): Lord Curzon himself repudiated it.

Seth Govind Das: Yes, and, later on, the Fiscal Commission also opposed it. On page 132 of their report, the Commissioners clearly say that India cannot grant extensive preference without serious loss to herself. Therefore, as far as historical facts are concerned, I want to emphasise that we have all along been opposed to this principle of Imperial Preference.

The Honourable the Commerce Member said very little about the working of this Ottawa Agreement. He said that the whole thing should be referred to a Committee, and my Honourable friend, Mr. Gauba, also repeated the same thing. I think a weaker case was never placed before this House. Now, I wonder how the Honourable the Commerce Member says that the working of this pact has not been examined. The working of this Agreement has been examined by every commercial institution in this country, worth the name. Every Chamber of Commerce in this country has examined its working, not superficially, but in detail; will the Honourable the Commerce Member point out to me any one such institution which has not condemned the Agreement? It has been condemned by every institution which has anything to do with the commercial life of this country; and I do not see what useful purpose it will serve to appoint another Committee to examine this Agreement. The Honourable the Commerce Member shuddered to think as to what would happen to the trade of this land if this Ottawa Agreement was scrapped. Let me point out to him that the heavens are not going to fall. In his enthusiasm to support this Agreement, he altogether missed the point that the Agreement was more in favour of Great Britain. . . .

Mr. N. V. Gadgil (Bombay Central Division: Non-Muhammadan Rural): Entirely in favour.

Seth Govind Das: . . . . was entirely in favour of Great Britain, as my friend, Mr. Gadgil, says. Here I wish to quote what the Right Honourable Mr. Thomas, Secretary of State for the Dominions, in his foreword to the *Imperial Trade Number* of the London Chamber of Commerce Journal of October, 1935, said. He says:

"The Ottawa Conference may, I think, be fairly claimed as having marked, not only the beginning of a new epoch in our trade relations with the other parts of the British Empire, but, the turn of tide so far as this country, Great Britain, is concerned. After a long period of acute trade depression, it is interesting to note that the value of our exports of domestic produce to the four dominions, that is, Canada, Australia, New Zealand and the Union of South Africa, and to India rose from rather less than £99 millions in 1932 to something over £124 millions in 1934, and this at a time when values were on the whole declining rather than increasing".

And Colonel John Colville, Secretary of the Department of Overseas Trade, announced in the course of a speech that the United Kingdom exports to the Empire have increased by over £20 millions per annum in the two years following the Ottawa Agreement. I cannot understand, in view of these circumstances, why the Honourable the Commerce Member should be so anxious about retaining this Agreement and why he should alone think that if this Agreement is done away with, we are going to suffer. As the Honourable the Mover of the amendment said, when this is once terminated, then the time will come when we shall be in a position to negotiate fresh agreements which are in the interests of India, not only with the United Kingdom, but also with other countries.

Although the Honourable the Commerce Member did not say much about the working of this Ottawa Agreement, I want to examine its working. We find that this Agreement, since it has been entered into, has spoiled our trade relations with other countries, and this is proved by the fact that our imports from other countries than Great Britain have been falling, and falling to a very great extent. I do not want to tire the patience of the House by quoting many figures, because I see that only ten minutes are left to me. However, the following figures will show the relative percentage of imports into this country from various other countries:

3 P.M.

Figures giving relative percentage of imports into this country.

Countries.	1931-32.	1934-35.
United Kingdom	35·5	40·6
Japan	2·6	15·7
Germany	8·1	7·6
America	10·2	6·4
Italy	2·8	2·3
Kenya and Zanzibar	2·9	2·4
Ceylon	1·1	1
China	2·2	1·6
Belgium	2·4	1·6
Austria Hungary	·6	·5
France	1·7	1·2
Strait Settlements	2·3	2·3
Java	3·8	1·4

[Seth Govind Das.]

This, Sir, is the condition of the imports into this country. From this it will be quite clear that so far as the imports from other countries are concerned, they are diminishing. Now, what do we find as far as Japan is concerned? The imports from Japan have increased, and the reason is that we could conclude an agreement with the Japanese. If we had been in a position to enter into agreements with various other countries, we would have been able to buy more from them and also sell more to them, and the condition of our trade would not have been as bad as it is today.

Now, Sir, what do we find about the imports and exports from Great Britain after this Agreement was entered into? We find that imports from the United Kingdom into this country have considerably increased, while our exports to the United Kingdom have not increased to the same extent. The following figures will prove that fact also:

In 1931-32, the imports into this country from the United Kingdom were 45 crores, and exports were 45 crores.

In 1933-34, the imports were 48 crores, exports were 47 crores.

In 1934-35, the imports were 54 crores, and the exports were 48 crores.

These figures show that while their imports have increased by about nine crores, our exports have increased by only three crores. Before this Agreement was made, their imports into this country were gradually diminishing. That also we see from the following figures:

Imports from the United Kingdom into India.

1929-30	103 crores.
1930-31	61 ,,
1931-32	45 ,,

Now, Sir, we find that by this Agreement, Great Britain has achieved all that she wanted, while we could not achieve anything. Before this Agreement was made, we find that all along they were losing their markets. They have now been successful in establishing their markets again, while we have not been able to do so. I admit, Sir, that there has been some increase in our exports, but then this increase has not been due to the Ottawa Pact alone. If the preference owing to the Ottawa Pact had been responsible for bringing about an increase in our exports to the United Kingdom, how is it that there is a greater percentage of increase in non-preference goods as against a preference goods? Between 1932-33 and 1934-35, our export trade to the United Kingdom in preference goods increased from 29,73 lakhs to 36,71 lakhs, that is by about 24 per cent., whereas, our export trade to the United Kingdom in non-preference merchandise increased from 7,09 lakhs to 11,36 lakhs, that is by about 60 per cent. This shows clearly that it was not due to preference that our export trade has increased with the United Kingdom, but, due to several other reasons, and, secondly, even though we may welcome our exports to the United Kingdom in preference articles, we have to admit that the small increase of only about three crores has been mainly responsible for a loss of nearly rupees 20 crores worth of trade with other countries. It is pointed out that the fall in our exports to other countries was not due to the Ottawa preference, but due to certain independent and inevitable causes and that India should, on the contrary, thank England for filling up this deficiency. But if that was so, why was it that our exports to

other countries declined only in case of preference articles, and not in the case of non-preference goods? There was in fact an increase of about Rs. 950 lakhs in India's exports to other countries so far as non-preference goods were concerned. Thus, our exports to other countries than the United Kingdom fell by 20 crores in prerference articles and rose by 9,5 crores in non-preference articles. This may be taken to be a conclusive evidence of the fact that the increase in our exports to the United Kingdom amounting to about three crores has been instrumental in diminishing our export trade to other countries by about rupees 20 crores.

Now, Sir, as far as India is concerned, we are exporting to non-Empire countries more than to Empire countries, and this will be clear from the following figures:

Relative percentages of India's exports.

Year.	Empire.	Non-Empire.
1931-32	44·2	55·8
1932-33	45·8	54·2
1933-34	46·2	53·8
1934-35	45·2	54·8

Therefore, Sir, we have to look forward for our exports to other countries, and this Ottawa Agreement is no doubt against our trade relations with other countries, and it has not given us any advantage which it professed to give at the time when it was made. As I pointed out in the beginning, I wish to deal with the question from one point of view alone, and that point of view is whether this Trade Agreement is in the interests of India or not. Now, we have seen that it is not to our advantage as far as the United Kingdom is concerned; it is not to our advantage as far as the other countries are concerned, and I don't see how it can be said that this Agreement should not be scrapped.

It was stated, Sir, that this House had accepted this Agreement in those days, but Government knows, and knows very well that in those days this House was not of a representative character. The people who were sent as our delegates were . . . . .

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member's time is up.

Seth Govind Das: Only one minute more, Sir. The people who were sent there to negotiate the Ottawa Trade Agreement were not the real representatives of the people. They again stood for election, and their defeat shows clearly that they were not the real representatives of the people. Therefore, Sir, as far as this House is concerned, we cannot do better than ask the Government to bury this Trade Agreement and bury it as deep as possible, so that it may not have any chance of reappearance.

Dr. P. N. Banerjea: The question has been asked, who wanted the Ottawa Agreement? The answer is, not surely India, but Britain. And why did Britain want it? Because Britain is the land of a practical people, a people who are guided, not by sentiment, or theory, but by enlightened self-interest. In the 16th, 17th, and 18th centuries, Britain found that a protective policy suited her requirements, and she protected

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her interests against India and other countries. In the 19th century England found that free trade suited her better and she forced that policy on India. After the European War Britain found that a free trade policy was not quite adequate for her any longer and, therefore, she not only adopted a protective policy, but desired to enter into arrangements with India and the Dominions of the British Commonwealth of Nations. I do not wish to refer to the past, it would be better for us if we could forget the past and confine our attention to the present and the future. Nor should we at the present moment allow ourselves to be influenced by political views, although political economic questions are often very closely inter-related.

At the time of sending a Delegation to Ottawa, the Government of India stated definitely that they had no desire to put changes into effect unless the Legislature was satisfied that these were "in the interests of India". It is our duty now to examine the effects of this Agreement from this stand-point and none other, and for this purpose I shall apply a few simple tests.

A distinction was drawn in the report of the Indian Delegation between "Imperial Preference" and "reciprocal preference". But what is reciprocity? It implies equal economic advantage to both the parties to an agreement. If we apply this test to the Ottawa Agreement, what do we find? For the purpose of this examination, I shall confine myself to the official Report presented by the Director of Commercial Intelligence. It appears from Tables II and III of this Report that, while imports into the United Kingdom from India of articles enjoying preference increased from 28·6 million pounds in 1931 to 30·7 millions in 1934-35, that is to say, by 7½ per cent., imports into British India from the United Kingdom of articles enjoying preference increased from 12.6 crores to nearly 17 crores, that is to say, by 34 per cent. Where, then, is the *quid pro quo*—I ask. Evidently, the United Kingdom's gain from the preferential system was much greater than that of India. Now, it may be argued that this disparity in benefits was not due to the preferences given. In order to refute this argument, I would refer to Tables IV and V of the Report from which it will be found that, as regards articles not enjoying preference, the imports into the United Kingdom of Indian goods increased by 39.7 per cent. while imports into India of United Kingdom goods, not enjoying preference, increased by only 14.4 per cent. This indicates the normal trend of trade relations between the two countries. It also clearly proves that the increase in preferred imports into India from the United Kingdom was due mainly—if not wholly—to the preferences granted, but the increase of preferred exports to the United Kingdom from India was due, to a very large extent, to causes other than those relating to preferences, the limited field of available sources of supply, quality and price.

This brings me to the second test by which we may judge the Ottawa Agreement, namely, what would have been the consequences to India if she had not entered into the Agreement? For this purpose, let me compare—rather contrast—the increase in non-preferred imports into the United Kingdom from India with that in the preferred imports. The former, namely, the non-preferred imports from India, as I have already pointed out, increased by 39.7 per cent. while the latter, namely, the preferred imports, increased by only 7·5 per cent. This shows that the United Kingdom imported, irrespective of preferences, articles from India which

were necessary for her own requirements. This also shows that the argument that Indian exports to the United Kingdom would have suffered in the absence of any agreement is without any value. Now, let us look at the other side of the shield. The large increase of preferred imports into India from the United Kingdom (34 per cent.) as compared with the small increase (14.4 per cent.) of the non-preferred imports proves that, in the absence of a preferential agreement, India would have taken a smaller quantity of goods from Britain. Thus, on a balance, India would not have suffered any loss. It may be argued, as my Honourable friend, Sir Muhammad Zafrullah Khan, has argued, that, if India refuses in future to continue the Agreement, then Great Britain will retaliate against her and levy portective duties on her goods.

The Honourable Sir Muhammad Zafrullah Khan: I did not say, retaliate, but I said that the effect of it would automatically be that commodities and goods that are not mentioned in Schedule I to the Import Duties Act would become subject, under that Act, to the duties laid down in Schedule II.

Dr. P. N. Banerjea: I stand corrected. But such fear is groundless, for India's articles are required for Britain's consumption as food and as raw materials for industry, and it is not likely that Britain will be so foolish and perverse as to inflict a great injury on herself in order to have the pleasure of inflicting a much smaller injury on India.

The third test by which the Ottawa Agreement can be judged is, what is the amount of expansion that has taken place in the export trade of India? The official protagonists of the Agreement repeatedly assured the country that an expansion of trade would follow India's participation in the Ottawa Pact. Table I of the Official Report shows that the total value of India's exports to all countries of articles enjoying preference slightly increased in 1933-34 as compared with the total value in 1932-33, but in 1934-35—a full year in which the preferential system was at work—there was a definite set-back, the actual value being even less than that in the pre-preference year 1932-33. But the value of the export trade in articles enjoying preferenee to the United Kingdom improved substantially in 1933-34. This proves that, instead of there being an expansion in the export trade of India, there was a mere diversion of the course of this trade from non-Empire countries to the United Kingdom. I cannot regard this as a source of much satisfaction to India.

Now, this question of diversion of trade raises some very serious problems. Not only does it not indicate any net gain to India but it involves a two-fold danger to the country. In the first place, it tends to lead to a contraction of markets for Indian goods, not only for the present but also for the future. Secondly, by limiting competition among the buying countries for Indian goods it places India at a disadvantage as regards prices. Thus, the consequences of her increased dependence on one market may easily prove disastrous to India.

The fourth test is the effect of the Pact on non-Empire countries. The trade of India with non-Empire countries is of greater value and importance than the trade with the Empire countries. Her exports to non-Empire countries were worth 83 crores in 1934-35 as against 71 crores to Empire countries, while her imports from non-Empire countries amounted to Rs. 67 crores as against Rs. 65 from Empire countries. Now,

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the question is, can India afford to risk retaliation by non-Empire countries for the remote contingency of a very doubtful benefit arising from the preferential system at some distant date? I hope the answer of the House will be an emphatic 'No'. As British statesmen have repeatedly observed, trade is a matter of goodwill. The working of the Ottawa Pact, during the last two years, has already diminished the goodwill of non-Empire countries towards us as shown by their reduced purchases of Indian goods. Besides, it can hardly be regarded as natural that if India purchases less from non-Empire countries owing to the preferential system, they will purchase more from her.

This leads us to the fifth test, namely, the balance of trade. India's external obligations make it incumbent upon her to put forth her utmost effort to secure a substantially favourable balance of trade. Now, if we consider India's balance of trade with the United Kingdom, we find from Table VIII of the official Report that in 1933-34 there was an even balance, but in 1934-35 (a full year of the preferential system) the balance was adverse to India by five crores. As India's obligations are mainly to the United Kingdom, one would have naturally expected that the United Kingdom would ensure a favourable balance for India but the fact is just the reverse. India's favourable balance of trade with Empire countries, other than the United Kingdom, was 13 crores and six crores respectively in 1933-34 and 1934-35. She had a favourable balance of trade with non-Empire countries to the extent of 22 crores in 1933-34 but, unfortunately, it diminished to 16 crores in 1934-35. This discloses a very serious state of things. During the last five years, India has met her external obligations by exporting gold, but her stock of the yellow metal is not limitless. Therefore, unless India is able to secure a large trade balance in her favour she will be on the verge of bankruptcy and ruin. The Ottawa Pact has failed to give her this balance and India must now look to some other measures for the attainment of the object.

The sixth test is the effect of the Pact on public finance. It is a well-known fact that a reduction in the rate of an import duty causes a fall in the revenue, though not necessarily in exact proportion to the reduction. Under the Ottawa Pact the duty, on a large number of imported articles, has been reduced by ten per cent. Naturally, therefore, the annual revenue derived from these articles has been less than what it would have been if the reduction had not been made. It is difficult to estimate exactly the loss in revenue on this account; but roughly speaking, it may be said that the annual loss is not less than one crore of rupees a year

The seventh or the last test is the effect of the Agreement on the industrial development of the country. On this question, it was observed in the official report for 1933-34:

> "There is not much material available from which to arrive at any definite conclusion regarding the effect of the preferences on Indian industries as many of these industries are what may be termed 'small scale' without any organised association of establishments and it has not been possible to obtain much statistical material relating to their progress. The large industries in India are hardly affected by the scheme of preferences."

Now, Sir, I must say that these observations cannot be considered to be satisfactory. As preferences have been granted almost exclusively to the manufactured goods of the United Kingdom, the encouragement

given to certain classes of manufactures cannot fail to serve as a discouragement to the production of similar manufactures in the country. On the other hand, the preferences which India has received relate mostly to raw materials. The negotiators of the Ottawa Pact failed to take note of the important principle laid down by the Fiscal Commission, namely, that the "economic advantage derived from the preference tends to be more important in the case of manufactured goods than in the case of the raw materials". So far as the small and cottage industries are concerned, they were practically ignored in the framing of the scheme, with the result that only a few of them received some benefit while most of them were adversely affected. As instances, I may mention the case of the bell-metal industry and toilet requisites.

I may be permitted to draw the attention of the House to two other defects of the Ottawa Agreement. In the first place, it is a multi-lateral arrangement and as such it involves considerable complexity in regard to its effect on different parties.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member has got one minute more.

Dr. P. N. Banerjea: I would ask for some slight extension of time, and I assure you I will not be irrelevant.

Secondly, under this arrangement uniform rates of duty are levied without taking into detailed consideration the special requirements or difficulties of the trade in different articles. What is needed in these days of economic nationalism is, that India should conclude bilateral treaties with different countries bearing fully in mind the needs of the country not only with reference to her raw materials but also her finished goods manufactured on a small as well as on a large scale.

Sir, the time at my disposal will not permit me to enter into a detailed examination of various articles; but if it were possible, I would be able to show that the conclusions would be the same as those already arrived at, namely, that the loss to India has outweighed the gain, and that, therefore, there is no justification for continuing the present arrangement. My authority for holding this view is the official report itself prepared by my Honourable friend, Dr. Matthai, whom I am glad to see here this afternoon.

Sir, one word more before I conclude my observations. The Director of Public Information has, in a series of articles, attempted to carry on a sort of propaganda in favour of the Ottawa Pact. I shall not like to go into these articles, but I cannot help remarking that the method of treatment adopted by him is extremely partial and that he has sought to cloud the issues by throwing a smoke-screen on the whole subject. I am glad, however, that the Government have thought fit to place before us an additional book containing up-to-date statistics and I congratulate them on their enterprise. But if we go into these figures, we find that the results are practically the same. No other conclusions are possible.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member has one minute more.

Dr. P. N. Banerjea: Sir, I would urge this House, as the custodian of the economic interests of the country, to accept the amendment moved by the Honourable the Leader of the Opposition. I desire, however, to make it clear that our trade relations with the United Kingdom are of the utmost importance at the present moment and are likely to continue to be so for a long time to come. But it is also necessary that India should conclude trade treaties with other countries, such as France, Germany and the United States. I wish to lay particular stress on the desirability of concluding a trade treaty with the last-named country, for the United States has consistently imported more from us than she has exported to us, and because it is a fact that the United States is not merely a manufacturing country but is also an agricultural country. Various difficulties and complexities arise in entering into agreements with countries outside the United Kingdom so long as the Ottawa Pact remains in force. It is for this purpose and not for the purpose of showing any ill-will to Britain that I urge the Ottawa Agreement be terminated and a fresh agreement, if possible, be entered into with Britain after a careful examination of the needs of the two countries. (Applause.)

Dr. John Matthai (Government of India: Nominated Official): Mr. Deputy President, one of the rather unfortunate features of the Ottawa dispute, particularly in the stage which it has now reached in this country, is the way in which the fairly simple and straightforward issues, that are involved in it, have been obscured and distorted by the enormous mass of highly emotional literature that has gathered around it. (Hear, hear.) Those of us who have tried to follow the history of parliamentary controversies in England, particularly in the hectic days of party government, will remember that there were two questions which used frequently to come up for discussion, both of which were questions which lent themselves admirably to discussion on a rational basis, but upon which, for some queer and incomprehensible reason, those who took part in them appeared to do almost nothing but emotionalize. One of these questions was temperance, and the other was tariffs. Now, Sir, this question of Ottawa is essentially a question of tariffs and I cannot help feeling, whenever I examine the literature which has accumulated on it, that the mainspring of a good deal of the controversy is not a reasoned examination of facts but, if I may say so, a somewhat mis-directed enthusiasm for certain irrelevant causes.

Now, Sir, I think that probably the most satisfactory way of dealing with these questions, particularly with reference to the motion which is now under consideration, is to try and ascertain what precisely is the scope and purpose of the Agreement which was concluded at Ottawa. I do not believe it is possible to arrive at anything like a reasonable conclusion on this question unless we have a fairly clear idea of the scope of the Agreement which was inaugurated at Ottawa. As I look at it, what they attempted to do, in this Agreement, was to try and preserve, and if possible to stimulate, empire trade, at a time when all the forces that were working upon international trade were making in the direction of a continued and perceptible shrinkage in trade. At a time when the whole world seemed to be influenced by forces working in that direction, people who represented the countries included in this Agreement came together and addressed to themselves this question: "In the midst of this general cataclysm, are there any means by which, so far as the countries which we represent are concerned, we could try and preserve and if possible to increase such part of the trade as exists between our countries?" Well, unless we keep this aspect of the case clearly in mind, it seems to me we shall never reach a satisfactory and reasonable conclusion upon this question. Now, Sir, the scope of this Agreement, in the first place, is confined to certain specified countries. That is perfectly obvious. The scope of it is confined also to a certain group of articles; it does not cover the whole range of the articles, entering into the trade of the United Kingdom or of India. It relates only to a certain group of articles. I admit it is a large group, but it is a definite group of articles which we, in this discussion, have described generally as preferential articles. As my Honourable friend, Mr. Gauba, pointed out, as far as the question of consultation with a view to renewal as against denunciation is concerned, the issue is this. Is it possible to make out a *prima facie* case that this particular objective of the Ottawa Agreement has been to a reasonable extent fulfilled? If a *prima facie* case can be made out that, consistently with the limited scope of the Agreement, a reasonable measure of success has been achieved, then, I submit to the House, with very great respect, that the case for denunciation vanishes into thin air. If there is a *prima facie* case that a fair measure of success has been achieved by the Ottawa Agreement with reference to the limited scope of that agreement, then it seems to me that the bottom is knocked out of the motion for denunciation. It is from that point of view that I propose to approach this question.

Now, the first fact, to which I would like to invite the attention of the House, is this. If you examine the figures relating to our export trade, in the articles covered by the Ottawa Agreement, to the countries included in that Agreement, you will find that since the Agreement was concluded, there has been a perceptible increase in our trade. Our export trade in the preferential articles to the United Kingdom during the period covered by the Ottawa Agreement shows a perceptible increase. Now, Sir, I do not for a moment suggest that that fact by itself is decisive. (Hear, hear.) Whether it is or not, that ought to be the starting point for our consideration of the case. The increase in our export trade to the United Kingdom in preferential articles offers a first indication that the Agreement has worked on the whole in the right direction. But, as I say, it is not itself a decisive factor. That question has got to be considered in relation to the various limiting and qualifying considerations which Honourable Members during the course of the debate have pointed out. The Honourable the Leader of the Opposition made the point that although our figures might show an increase in our export trade in preferential articles, the United Kingdom, on the whole, has benefited more than India. I do not profess to be able to offer a complete statistical demonstration with regard to this question. It is not a question on which it is possible to get complete statistical information. There are various uncertain factors which would invalidate any conclusion we might reach. All that we can do is to offer indications. My Honourable friend, Dr. Banerjee, tried to contest the point that we have benefited equally with the United Kingdom on the basis of percentages. From a fairly long experience of statistical work, both academical and in relation to practical fields, I have reached a stage where I regard percentages with extreme suspicion.

Dr. P. N. Banerjea: Then do not publish such statistics at all.

Dr. John Matthai: I think I would rather build my case on absolute values than on percentages. If you take the last year for which we have complete figures, the year 1934-35, and compare the figures with those for the year just previous to the inauguration of the Ottawa Agreement, I think, on the whole, the indications are that such advantages as have proceeded from the Ottawa Agreement, in regard to the preferential articles, have been divided almost equally between India and the United Kingdom. There is one factor with regard to that question which I think it is very important to remember. It must be remembered that for a period ranging almost up to eight months previous to our acceptance of the Ottawa Agreement, we had begun to get the benefit of preferential duties in the United Kingdom on our exports. If you make allowance for that, I think you will find the figures will indicate that the advantages are almost evenly divided. Now, that is one way of looking at, and I should like to suggest another way of examining it. As far as our exports to other countries are concerned, the preferential articles cover about 60 to 65 per cent. of our total exports to other countries. On the other hand if you take the imports into this country from other countries, the articles to which the Ottawa Agreement relates, cover also about 60 to 65 per cent. of the total trade, so that the proportion of preferential articles in the export trade and the import trade is roughly, the same. That apparently provided those who planned the Ottawa Agreement with a rough basis for adjusting the different interests.

Dr. P. N. Banerjea: Are not circumstances different now?

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

Dr. John Matthai: If you are going to consider this Agreement in a proper perspective, you ought really to look at it in relation to the circumstances when the Agreement was planned and inaugurated. To try and read the facts of three years hence into the minds of people who were trying to organise this arrangement in 1932 is not fair criticism.

Mr. B. Das: All of them have left the Assembly except our Honourable friend, Seth Haji Abdoola Haroon!

Dr. John Matthai: There was another point which has been referred to more than once in this House, and that is the vexed question of diversion.

Mr. M. A. Jinnah: Do I understand the Honourable Member to ask me to judge this Agreement having regard to the time when it was arrived at, irrespective of the last three years?

Dr. John Matthai: In view of my Honourable friend's question, I hope the House will allow me to explain it a little further. I am trying at present to prove whether, on the actual results achieved over a period of three years, a fair balance of interests has been secured. I started by saying that on statistical evidence it would be almost impossible to measure it with accuracy. But such indications as we have do show that even with regard to the actual results of the working of the Agreement for the period of three years, a fairly satisfactory balance has been

secured between the interests of India and the United Kingdom; that is to say, if you look at it with reference to the limited scope of this Agreement. I was going to enforce that argument by a reference to the psychology of those who tried to plan this Agreement, as far as you could understand it, in relation to the circumstances of 1932. I hope I have satisfied my Honourable friend, Mr. Jinnah.

Mr. M. A. Jinnah: Not quite. My question was, what is the opinion now of the Honourable Member about this Agreement, today?

Dr. John Matthai: My opinion is that, as far as trade in the articles covered by the Ottawa Agreement is concerned, there is on the whole a certain even balance of interests between India and the United Kingdom. I do contest the proposition,—I think there is sufficient evidence for definitely contesting the proposition,—that the United Kingdom has benefited far more than we have by this arrangement.

Now, with regard to this question of diversion, a good deal has been said about diversion. The point, as the House will realise, is this. If we have increased our trade to the United Kingdom in preferential articles, and at the same time there has been a decline in our trade in preferential articles to other countries, then the inference is drawn that what we have gained in our trade to the United Kingdom is something which we have directly lost in relation to our trade to other countries. What we have gained in our trade to the United Kingdom is simply a diversion of the trade that used to prevail between this country and other countries. Here, again, Sir, if I may say so, there is a good deal of confusion of thought. There is a dilemma which presents itself quite frequently in the discussions of people who use this particular argument of diversion. If you take the particular articles included in the Ottawa Agreement, and you find our trade in that article to the United Kingdom has increased, and at the same time our trade in that article with foreign countries has also increased, then of course it is no diversion. But the argument is suggested at once that the real cause of the increase in the trade is not preference but some other cause because, there is an increase of trade in preferential articles not merely with the United Kingdom with whom we have preferential arrangement but also with other countries. Then, if there is an increase in our trade in that particular article to the United Kingdom, but there is a decline of our trade in that article with foreign countries, then you say it is diversion. If it is one way, it is diversion; if it is the other way, it is a queston of preference not being effective. Personally, I think, the correct position to take in regard to diversion is this. And there again I should like to go back to the circumstances of 1932. The House will remember that there was no time during the past five or six years when the outlook of trade was quite so uncertain and quite so hopeless as it was in the early years of 1932. It seemed almost inevitable in the early years of 1932 that there would be a decline in world trade. The Ottawa Agreement was an arrangement intended to preserve, and, if possible, to increase, the trade between the constituent countries of the Empire in face of the general forces affecting world trade in a downward direction. Inevitably, after a period of two or three or four years, you would find that the trade of those countries, in respect of which our trade was not sheltered by a preferential arrangement, had shown a decline. Now, I really think that this argument of diversion has very little substance in fact. Now that I am on this question, I should

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like to point out, apart from this general consideration, that there are some very important articles included in the Ottawa Agreement in respect of which the charge of diversion cannot stand. You take an article like linseed. We have increased our trade to the United Kingdom, we have also increased our trade with the other countries. Take a thing like woollen carpets and rugs,—a very important article. We have increased our trade with the United Kingdom, we have also increased our trade with other countries. Take another important article,—tanned skins. The same thing holds; we have increased our trade both with the United Kingdom and with the other countries.

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): Has not the trade in linseed increased due to bad crop in the Argentine?

Dr. John Matthai: The question of what has happened in respect of individual crops is a big question which I hope some Honourable Members on these Benches will deal with later. I admit that the Argentine crop has been one of the influences, but I do not admit that preference has not been an influence. In fact, during this time, when various kinds of influences have been at work in the field of international trade, you cannot isolate one influence from the others and say that the result is due to this particular influence. The only sensible course to adopt is to take the result as a joint product of various influences working in the same direction.

There is another argument which was used in the course of the debate as one that invalidates the case for the Ottawa Agreement, and that is that while it is true that our trade in preferential articles to the United Kingdom has increased, our trade in non-preferential articles to the United Kingdom has increased at the same time. The suggestion, therefore, is that some other cause has been at work which has been the really effective cause. If you examine generally the articles which are included in the Ottawa Agreement, articles that is to say to which these preferential tariff arrangements apply, and contrast them with the articles which are outside the scope of the Agreement to which the preferential tariffs do not apply, there is a certain broad distinction which I personally consider to be valid. That distinction is that the preferential tariff arrangements apply to commodities in regard to which India's competitive position is fairly weak. The articles which are left outside the preferential tariff arrangements are articles in regard to which our competitive position is fairly strong. If you look at articles, for example, like linseed, groundnut, manufactured jute, tea, you will find almost in every case that India is up against very severe competition. Take the most important articles which are outside the scope of the Agreement—I am speaking for the moment in the sense of the articles to which preferential tariffs do not apply. Take raw cotton and raw jute. In regard to raw jute, it is fairly obvious that our position at present is strong. With regard to raw cotton—the particular kind of cotton that we export, our position is not so strong as in the case of jute. But our position is stronger than in regard to those articles which are included in the Ottawa Agreement. There is one fact that we have got to remember with regard to raw cotton, namely, that although it is true that it is outside the scope of the preferential tariff arrangements, it is an article in regard to which we have, what I might call, a preference by understanding; and that to some extent explains the increase in our

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trade in non-preferential articles to the United Kingdom. I suggest, therefore, that the fact that our trade in non-preferential articles to the United Kingdom has increased during this period does not invalidate the case for the Ottawa Agreement.

Now, I come to a fourth factor which has been referred to a good deal, both on the floor of this House and in controversies outside the country, and that is the question of our balance of trade. During the years that the Ottawa Agreement has been working, it is suggested that our balance of trade has seriously declined, and that decline is alleged to be a direct result of the working of the Agreement. In the first place, I would like to point out that it is not true that our balance of trade in 1934-35 has declined as compared with the initial year of this period 1932-33. Our balance of trade has increased.

Dr. P. N. Banerjea: With regard to England?

Dr. John Matthai: The point which has been raised over and over again is that our total balance of trade has perceptibly declined during the period during which the Ottawa Agreement has been in operation. As the House well knows, the question of balance of trade has no particular significance as between one individual country and another individual country. The question of the balance of trade is important as between one country and the whole of the rest of the world. Therefore, . .

Mr. M. A. Jinnah: That is going too far.

Dr. John Matthai: . . . . what you have to do is to consider the total balance of trade in India during this period. If you look at the question from that point of view, it seems to me that on the figures available there is no case for the suggestion that our balance of trade has declined. But I would like, in this connection, to raise a very important general consideration. After all, when we speak of the balance of trade, we are thinking not merely of quantities of trade, we are thinking also of the values of trade. The factor of price is a very important consideration when you are thinking of the balance of trade—it is a matter of cash. If you take the period since the big depression started and make allowance for the extent to which irrespective of any reduction in the quantum of trade there has been a reduction in the prices of articles entering into India, I venture to suggest that you would reach a money figure not very different from the present figure of our balance of trade. There are two factors: in the first place, there is the general fall in prices which is very considerable.

Dr. P. N. Banerjea: In 1934-35?

Dr. John Matthai: No, as far as 1934-35 is concerned, as compared with 1932-33. If you take those two years, the last year for which you have complete figures and the initial year of the period of the Agreement, you will find that there has been no decline. What I am trying to suggest is, suppose there was a decline or suppose you wanted to extend the field of your investigation over a longer period than that, then there is this general consideration which is of vital importance. In the first place, there has been a substantial general fall in prices; on top of that,

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the fall in agricultural prices has been much greater than the fall in industrial prices. All our exports, or the bulk of our exports, are agricultural products. The fall in the prices of our exports has been much greater than the fall in the prices of our imports. If you add that factor to the factor of the general fall in prices, I think you will very nearly explain the decline in our balance of trade.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has already taken more than half an hour.

Dr. John Matthai: I will finish in a few minutes, Sir. There is the other question of trade restrictions. I do not propose to deal with it as the Honourable the Commerce Member has already dealt with it.

There is just one point which I wish to make before I sit down. If it is established that a *prima facie* case exists that the Ottawa Agreement, considered with reference to the limited scope of the Agreement, has met with a fair and reasonable measure of success, then I submit to the House that there is no case for denunciation. In addition to that, I want to suggest one or two facts. I have had a fairly long experience of the working of tariffs in this country, and if there is one fact which has come home to me more than another, it is that constant changes in tariff arrangements can cause serious dislocation to the course of trade. Now, suppose you denounce this Agreement altogether (Interruptions from Honourable Members),—an agreement which covers the greater part of our external trade—the dislocation that would be caused to trade and business would be fairly serious.

There is another point which probably is of greater importance. This is after all a bilateral arrangement, between us and the United Kingdom. A unilateral cancellation of an Agreement which is really a bilateral Agreement is not a circumstance which will make for that kind of goodwill and mutual friendship which is of the essence of successful negotiation in regard to trade agreements. My Honourable friend, the Leader of the Opposition, this morning made great play with the fact that the United Kingdom so far has not given notice of denunciation. The conclusion that he tried to draw from that circumstance was that the United Kingdom realised that this Agreement benefited her more than it has benefited us, that they have done themselves well out of it. I suggest very respectfully that the real inference to be drawn from that fact is this: that people at that end have a better idea of what is required of business people under circumstances of this kind than, unfortunately, we seem to have at this end. Now, as far as I have been able to study the reports of the working of the Ottawa Agreement, in various parts of the Empire, I cannot think of any country included in the Empire in which there has not been expression of very considerable dissatisfaction, but so far as I know—I am not in a position to judge what may happen tomorrow—but so far as I know the position today is, we are the only people who are speaking of formal denunciation. . . . . .

Mr. M. A. Jinnah: The other Agreements are fixed for a certain period. Next year, they all expire. You cannot terminate when it is for five years.

Dr. John Matthai: The point seems to be this: over a period of three years complete investigations have been carried on in several countries which are participants in the Ottawa Agreement. The Honourable Member will find that in most of these reports there are very definite conclusions which have been reached: but whatever the conclusions are, and however strongly the conclusions are framed, there has been no reference to formal denunciation. . . . . .

Mr. M. A. Jinnah: Yes, there is.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): What about Canada and the United States?

Mr. M. A. Jinnah: I may inform the Honourable Member that very recently, in the House of Commons, an answer was given by the Government that the whole of the Ottawa Agreement will be reviewed very soon.

Dr. John Matthai: Review is not denunciation.

Mr. M. A. Jinnah: You cannot review unless you terminate.

Dr. John Matthai: The motion before the House is for the appointment of a Committee for precisely this purpose—to review the working of the Ottawa Agreement. I do not want to detain the House. I have already exceeded my time-limit. All that I want to say in conclusion is this: that if there is any force in the proposition which I have tried to place before the House that there is a *prima facie* case that the Ottawa Agreement has met with reasonable success, then I am entitled to ask the House to pause and think, and think a great deal before they take the extreme step of rejecting it outright. (Applause.)

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): Sir, I happen to be one of those very few Members of this Assembly who were present when the Ottawa Agreement was accepted by this House. As I listened to the speech of the Honourable the Commerce Member this morning, I was reminded of the debate on the previous occasion. Today, Sir Muhammad Zafrullah Khan, the Honourable the Commerce Member, initiated the debate in a tone of subdued enthusiasm. But I well remember that on the previous occasion, Sir Joseph Bhore, Sir Shanmukham Chetty and other supporters of the Agreement vied with one another in painting in glowing colours the bright future that was awaiting India, the enormous expansion in export and the increase in production that will follow from the ratification of this Agreement . . . .

The Honourable Sir Muhammad Zafrullah Khan: That may be due to a difference of temperament.

Mr. Abdul Matin Chaudhury: Today, the official reports tell a different tale. Today the rosy picture has faded. We do not hear now so much about the expansion of export as about the shrinkage of exports; and the arguments on which the Ottawa Agreement was defended on that occasion were based mostly on conjectures and expectations. But the experience of the last few years has shown that those expectations have not been realised and those prophecies have not been fulfilled. In the light of the experience of the past few years, it is time now that we decided to terminate this Agreement.

[Mr. Abdul Matin Chaudhury.]

Honourable Members have discussed this Agreement from different standpoints. Personally I would like to take the line adopted by Sir Joseph Bhore in his advocacy of the Agreement. Sir Joseph Bhore selected some typical commodities and he argued how preference given by the United Kingdom would benefit substantially the export trade in those commodities. I shall take some of them, one by one, and I shall try to show how those expectations have proved entirely illusory. I will take first the case of tea. Sir Joseph Bhore referred to this commodity as our largest single item of export to the United Kingdom, amounting, in that particular year, to the value of £20 millions or about Rs. 23 crores. In one of the very eloquent and moving passages in his speech, Sir Joseph Bhore explained that unless preference was granted by the United Kingdom, because of competition from Java and Ceylon, a large portion—three-quarter million acres of tea land would have to be closed down which would be little less than a disaster to the country. Sir Shanmukham Chetty also emphasised the importance of this commodity in any scheme of preference; and from the speech of these two eminent supporters of the Agreement, the House was led to believe . . . .

Mr. M. S. Aney: Misled!

Mr. Abdul Matin Chaudhury: My Honourable friend, Mr. Aney, says "misled"—that the entire industry will be threatened with ruin unless preference was granted by the United Kingdom to this commodity, tea. Now, every one acquainted with the conditions of the tea industry—and I am sure my Honourable friend, Mr. Milligan, will agree with me—knows, that the problem with which the tea industry is faced is not competition from Java or Ceylon: in fact, if I am correct, I think Ceylon has not ratified the Ottawa Agreement and the . . . . . .

The Honourable Sir Muhammad Zafrullah Khan: Ceylon enjoys the preference of 2*d*. per pound along with Indian tea already.

Mr. Abdul Matin Chaudhury: My point is that both Ceylon and Java tea have entered into the co-operative restriction scheme according to which this competition has been entirely eliminated from those two countries. And the problem with which the tea industry is faced today is not the problem of competition from Java and Ceylon, but the problem is how to find fresh markets, how to create a bigger demand, a bigger market for the industry as a whole. All this talk about competition is merely a clap-trap to catch votes in this Assembly. Sir, this is what the Government Report itself says about the effect of preference on the tea industry:

"The preference on tea was considered of great importance by the Indian delegation, and by a majority of the Special Committee of the Legislative Assembly in 1932".—*Mark these words please*—"The effects of the preference have been completely obscured by the introduction of the Tea Exports Restriction Scheme which came into operation during 1933. The object of the preference was clearly to increase or at least to maintain the United Kingdom market for Indian tea by making competition from Non-Empire producers more difficult. The object of the Restriction Scheme, as the name suggests, was to restrict the export of tea, by arrangement arrived at by chief producing countries, both export and extension of production of tea was regulated. The tea industry, therefore, is now working almost entirely under regulation. The result has been that the benefit of preference"—*I want the House to mark these words again*—"the result has been that the benefit of preference in extending the export market as well as in increasing production could not operate".

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): What are the guarantees for this?

Mr. Abdul Matin Chaudhury: We are considering whether, during the past three years, the tea industry has benefited because of this preference to the extent that it was predicted, and I maintain that it has not.

The Honourable Sir Muhammad Zafrullah Khan: You have obtained a better price than you would have obtained.

Mr. Abdul Matin Chaudhury: Is it because of preference, Sir?

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Compared with Java tea, will you not admit that the Indian tea gets more?

Mr. Abdul Matin Chaudhury: No, Sir. They have entered into an agreement according to which they cannot export more than a certain quantity . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should not carry on conversations like that.

Mr. Abdul Matin Chaudhury: My point is that on tea, which represented twenty million out of 44 million worth of preference goods, the effect of preference has been entirely *nil*.

Now, Sir, from tea I next come to coffee. The trade delegation that was sent out to Ottawa said in their Report that the preference of 9*s*. 4*d*. per cwt. given by the United Kingdom will lead to an increased consumption of coffee in the United Kingdom, and my Honourable friend, Dr. DeSouza, whose opinion is always listened to with respect and attention in this House, also corroborated that statement. But, Sir, before two years had passed, Dr. DeSouza had to revise his opinion. And in the Report of the Committee that was appointed to inquire into the working of the Ottawa Agreement, in his minute of dissent, Dr. DeSouza has pointed out that this preference has been of no benefit to India. Instead of an increase, Sir, there has been a set-back in the trade in coffee. I will give the House a few figures. In 1932, India exported to the United Kingdom 50,000 cwts. of coffee. In 1933, it fell to 45,000 cwts. and in 1935 it has come down to 36,000 cwts. of coffee, which shows that there has been a fall from 50,000 cwts. to 36,000 cwts. and that only corroborates the statement of Dr. DeSouza that this Agreement has been of no benefit to India at all.

Then another article, about which a great stress was laid during the Assembly debate on the last occasion, was linseed. Sir Joseph Bhore pointed out that in the year 1913-14, the acreage under cultivation of linseed was in the neighbourhood of five million acres, and in the year 1931-32 it was about three million acres, and he said that, if, as a result of preference, one more million acres of land came under cultivation for growing linseed and the cultivators made a profit at the rate of Rs. 10 per acre, one crore of rupees would come into the pockets of the Indian cultivator. That was the argument advanced by Sir Joseph Bhore. But,

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Sir, what has happened since? What has been the increase of linseed cultivation during all these years? Here are the figures:

Year.	Acreage under cultivation.
1931-32	3,309,000 acres.
1932-33	3,299,000 ,,
1933-34	3,257,000 ,,
1934-35	3,381,022 ,,

Sir, the increase of a million acres and the expectation of a crore of rupees coming into the pockets of the Indian ryots, are still in the dreamland, and none of the expectations have been fulfilled. These were the grounds on which we were asked to accept the Agreement, and I am just going to show to the House that the expectations that were then held out have not been realised.

Now, Sir, about the export of linseed, of course it is true that in the year 1933-34, there was a considerable increase in the export of linseed to the United Kingdom. It rose from 9,000 tons to 140,000 tons, but that was due to the failure of the crop in Argentine. Even the Government Report says that. What the position would have been had Argentine had a good crop, it is difficult to say. Then again, this increase of export in linseed was not peculiar to the United Kingdom alone. In that year Netherlands, which in 1932-33 took only two hundred tons, in 1933-34 took 3,984 tons; Belgium which imported in the previous year 345 tons increased it to 10,204 tons, and some of the unspecified countries increased their import from 1,611 tons to 104,825 tons. I am quoting these figures merely to show that this increase, in that particular year, in the export to the United Kingdom was not due to preference, because there had been proportionately greater increase in export to the countries which granted no preference.

Another article of which a good deal was said on that occasion was vegetable oil. Both Sir Joseph Bhore and Sir Shanmukham Chetty in their speeches specifically referred to this article, I mean linseed oil. Sir Shanmukham Chetty said:

"Here is a British market of £9 millions sterling, and with 15 per cent. preference, India ought to capture that market".

Let us see how far we have succeeded in capturing that nine million sterling market with the help of the 15 per cent. preference. Among the vegetable oils, the most important is the linseed oil. In the year 1932-33, India exported 1,477,000 gallons to the United Kingdom, in 1934-35 it decreased to 745,000 gallons, and the share of trade with the countries granting preference decreased from 65 per cent. in 1932-33 to 41 per cent. in 1934-35. Even the Assembly Committee, which included Sir Joseph Bhore and Sir Frank Noyce as members, came to the conclusion that, so far as vegetable oil was concerned, preference had been of no benefit to India. Among the vegetable oils is also included castor oil. The same Assembly Committee said that they could not definitely say whether there had been any benefit to India. Same was the case with cocoanut oil.

The Honourable Sir Frank Noyce (Member for Industries and Labour): That shows the fairness with which we examined the question.

Mr. Abdul Matin Chaudhury: I have never in my life doubted the fairness of Sir Frank Noyce. (Hear, hear.) I was talking about cocoanut oil. As regards rape-seed oil, the share of the trade with the countries granting preference represented in 1932-33 45 per cent. of the total trade. In 1934-35, it decreased to 21 per cent. That is how we are capturing the nine million worth of British market of vegetable oil, with the aid of 15 per cent. preference! I am very glad to see Sir Bryce Burt here once again. On the last occasion also he was brought here to explain to the House the effect of the Ottawa Agreement on agriculturists in India. He told a very credulous House that when the irrigated area in Sind and the canal areas in the Punjab were fully developed, India would have an exportable surplus of one million tons of wheat, and, with four annas preference per maund, it would be in a position to compete with Australia and with Canada. Now, I would just read out what the Government report says with regard to wheat. We were told that we would be in a position to compete with Canada and Australia with our surplus of one million tons of wheat, with a four annas preference per maund of wheat. After three years working of that Agreement, this is what the Government report says with regard to wheat:

"Preference has been of little value to India, owing to her special wheat position. The Crop Planning Conference in 1934 came to the conclusion that India would not be in a position to export any appreciable quantity of wheat during the next few years. In the circumstances, the value of preference is entirely problematic".

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has two minutes more.

Mr. Abdul Matin Chaudhury: I have dealt with some of the commodities to which specific reference was made by the supporters of the Agreement, and I have tried to show that in most of the cases expectation has not been realised, and that the prophecies have not been fulfilled. It is quite true that in the case of certain commodities which enjoy preference in the United Kingdom—in the export of those commodities there has been an increase, but it is equally true, a fact to which Dr. Matthai referred but did not explain, that the export of articles not enjoying preference have increased in far greater proportion. But, apart from that, the most serious aspect of the question is that the articles on which preference has been granted to the United Kingdom show alarming decline in our trade with other countries. In the year 1930-31 we exported to foreign countries commodities, which enjoy preference in the United Kingdom, to the extent of 105 crores, next year it came down to 77 crores, next year to 65 crores, next year to 62 crores, and in the present year it has come down to 57 crores. This may or may not be due to the reaction of Ottawa. But other countries can hardly be expected to take our goods when we go out of our way to discriminate against them. This brings me, Sir, to the question of our trade relations with the other countries. As a result of this Ottawa Agreement, and the preference granted by India to the United Kingdom, England has been able to increase its hold on the Indian market, and to the extent that England has been able to increase its hold, the business of foreign competitors has suffered contraction. If we diminish our purchases from these foreign countries, they will naturally purchase from those countries which not only sell to them but buy from them in return. If we are to carry on our trade with these countries, it must be, to a large extent, in exchange for goods bought from them. The

[Mr. Abdul Matin Chaudhury.]

United States of America, France, Germany, Japan, were amongst our best customers and the aggregate value of our trade with them was greater than that of our trade with the United Kingdom.

The Honourable Sir Muhammad Zafrullah Khan: Which countries?

Mr. Abdul Matin Chaudhury: With the United States of America, Germany, Japan—all foreign countries. Most of these countries have imposed restrictions on trade with India. This, again, I say, may not be due to the Ottawa Agreement, but still my point is, that we are not in a position, having given all the preference to the United Kingdom—we are not in a position to bargain with those countries.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Mr. Abdul Matin Chaudhury: On these grounds, I support the amendment moved by my Honourable friend, Mr. Jinnah.

Seth Haji Abdoola Haroon: Sir, I have been hearing from this morning different speeches from different sides. I do not know what are the difficulties which this side of the House feels in appointing a Committee to go through and examine all the figures which have been produced, not only by the Government, but by different mercantile associations in the country. At present, everybody is giving his opinion in his own way. I cannot understand the attitude of the Opposition in refusing to sit across the table and discussing all aspects of the Ottawa Pact. I know there were many Members against the Pact at the time it was entered into. My friend, Dr. Ziauddin Ahmad, was also against it. Sir Hari Singh Gour and many others were against the Ottawa Pact. My friend, Mr. B. Das, was also against it.

Mr. B. Das: I am still against it.

Seth Haji Abdoola Haroon: You may be, but I am talking of other people also. At that time, we met in committee and asked great economists and mercantile representatives as well as big people to come and give their views before the Committee, and those representatives came. The Committee sat for not less than 15 days continuously, and, on account of that meeting, the Committee brought this report which was passed by the House with a thumping majority. If you take out the Government Members, you will find that there was also a large number of elected Members.

An Honourable Member: How many of them were re-elected?

Seth Haji Abdoola Haroon: If you go and look at the proceedings, you will see that the Pact was approved of and passed by a large majority of elected Members. I do not want to go into each and every item like my friend, Mr. Abdul Matin Chaudhury. Of course, my friend, Seth Govind Das, said that some people were defeated, but fortunately I have not been so, because I have done services to my province and also the Punjab by giving preference to their articles in foreign countries.

I shall now take the figures supplied, not by Government, but by the Committee of the Federation of Indian Chambers. They are opposing the Ottawa Pact. I am referring to pages 8 and 9 of the Federation report. In Table No. 1, they show the total imports excluding Treasury and some other things. I do not want to go into every figure, because I have very limited time. You will find that the imports into India in 1929-30 from Empire countries were 124 crores, whereas, in 1934-35, these were 65 crores. As regards the foreign countries, the imports at that time were 116 crores, whereas, today, these are 56 crores and, if you go to the percentage on Table II, you will find that the imports have not been reduced in any way. At that time, the import was 48 per cent. whereas, today, it is 50.2, and, then, if you look at the export, on pages 12 and 13, you will find the same thing. The export to the United Kingdom has been increased from 42 crores to 47, whereas the export to foreign countries at that time was 87 crores, and, in 1934-35, it is 82 crores. If you look to the export trade, you will find there is a decrease of five crores. To blame the Ottawa Pact is not, therefore, correct. You will find that a long list has been supplied by the Government. Different countries have restricted the import of certain commodities in their own countries, on account of exchange or monetary difficulties. Now, if you look to linseed, you will find . . . .

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Why don't you talk of wheat?

Seth Haji Abdoola Haroon: You, Sind people, cannot produce it as cheaply as Australia. You are very lazy. You are not producing cheap wheat. Take the export of linseed. My friend just now complained that linseed has not been benefited. I am not going to accept his argument. Even with the 15 per cent. preference, if you cannot export linseed to England, then how can you export it without preference?

An Honourable Member: What about rebate?

Seth Haji Abdoola Haroon: I don't think this sort of argument can stand in these days. I know many Members feel this, but they do not want to say so honestly and clearly. This morning, the Leader of the Opposition brought a Resolution to terminate this Agreement, and he said that all the commercial bodies are against the Ottawa Pact. Sir, I remember that when I left India in 1932, the time was rather critical as the country was very much perturbed on account of Mahatma Gandhi's arrest. At that time, we asked the commercial bodies to come forward and place their views before us, but, as we all know, they non-co-operated, and they did not come forward to tender the necessary evidence. Every one of these commercial bodies at that time non-co-operated openly with the Government and with the Assembly, and they did not even send their representative to represent them even on the Assembly. So, Sir, this attitude of the commercial bodies is well-known to every one, and if today they are opposing the Ottawa Pact, well, they must oppose it to the last.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): You mean all the commercial bodies?

Seth Haji Abdoola Haroon: Each and every commercial body non-co-operated at that time.

Mr. T. S. Avinashilingam Chettiar: So you were the only man who co-operated?

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Why did you give preferences to British manufactures?

Seth Haji Abdoola Haroon: I am very glad to give my reply to that. I tell you, you are not considering the business way of this Agreement; you are considering it along political lines (Hear, hear); you are not considering this Agreement along business lines. If you were a business man . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better address the Chair.

Seth Haji Abdoola Haroon: If you want to consider these things from the business point of view, I assure you, that all your representatives, when they sit together along with business men, will understand the true state of affairs, and then they cannot oppose it. You are today opposing a Committee so as not to sit face to face with the business men and the officials. Sir, in my opinion, if we reject this Agreement, of course they might have one more victory over the Government, but that would be a very costly victory so far as the country is concerned. (Hear, hear.) Sir, you will be disturbing the whole trade of the country, if you reject it. Don't you think that it is advisable to appoint a Committee so that you may have a candid report and so that you may decide upon the matter next September in Simla? What would you lose thereby? Only a period of six months,—and for that period of six months, you cannot be losing all the wealth of India. (*Voices of* "Oh, oh"!) What is the use of your saying "Oh, oh"; you are free to say what you like, I do not mind that, but, remember, you are playing with the trade of India, and especially in these days when the business men and business generally are very much affected by even small things. If you decide this way, then you will be doing a distinct disservice to your country.

Sir, you know very well that at present India is exporting to the United Kingdom preferential articles to the value of about Rs. 41 crores, and many of these articles enjoy a preference of ten to fifteen per cent. Now, if this preference is taken away by the United Kingdom, what will be the automatic effect of their tariff in respect of the Indian goods? What will be the effect on the Indian trade? And if you still persist in refusing to consider this Agreement, I think you will be doing a great injustice to the other Members who want to consider this whole matter in committee. Unfortunately, the Government, when placing these figures, did not give expression to any opinion of their own; otherwise, the situation might have been quite different. Of course, many Honourable Members have said that, on account of this Agreement, the Indian export trade has lost to other countries, but I could not at all understand, in what way. I have shown you just now that only five crores rupees worth of goods is exported, but that is not on account of the Ottawa Agreement. Nobody could produce any documentary evidence to show that any Government, on account solely of the Ottawa Pact, restricted our export to their countries. Of course, they have imposed restrictions on account of their own difficulties in their own country in the matter of exchange, and so on, but no Government has imposed restrictions on our export trade solely on account of the Ottawa Pact. Sir, ...

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has only two minutes more.

Seth Haji Abdoola Haroon: Sir, I would again request the House to consider these points and not to play "politically" with Indian trade which concerns the very well-being of the masses of this country. If they do, then it is India alone that will suffer and suffer very heavily. On the other hand, if you appoint a Committee, you may formulate and place your views before the Government and the House and say—Well, on account of this and that, in this direction and that, the preferences are small, or that in some ways your export trade is suffering. If you simply pass a vote of denunciation, that would not be fair to yourself or to the House. With these few remarks, Sir, I support the motion for appointing a Committee. (Applause.)

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, may I have your permission to make a statement. Parties were given to understand that if they wanted, they could have half day on Saturday for discussion of the report of this House on the Hammond Committee's Report. I understand from the Leaders of Parties that they are quite agreeable to meet on Saturday, and, if this meets with their wishes, I should like to ask for your direction that there may be a meeting of this House on Saturday.

Mr. President (The Honourable Sir Abdur Rahim): That was the original arrangement, as has been mentioned by the Leader of the House, and there will be a meeting of the Assembly, therefore, on Saturday at the usual hour; and it will be understood that the debate on this report will be concluded by 1-15.

Mr. M. S. Aney (Berar Representative): There will be no questions?

Mr. President (The Honourable Sir Abdur Rahim): There will be no other business.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I understand that the debate may not be concluded before 2-30, and perhaps you will allow it to continue till then.

Mr. President (The Honourable Sir Abdur Rahim): If the debate exceeds the ordinary time by a few minutes, I shall not object. There will be no questions tomorrow and I shall also dispense with questions the day after and on Monday.

The Assembly then adjourned till Eleven of the Clock on Friday, the 27th March, 1936.

LEGISLATIVE ASSEMBLY.

Friday, 27th March, 1936.

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

MEMBERS SWORN.

Mr. Thomas Alexander Stewart, C.S.I., M.L.A., (Commerce Secretary); and

Mr. Noel James Roughton, C.I.E., M.L.A., (Central Provinces: Nominated Official).

SHORT NOTICE QUESTION AND ANSWER.

ARTICLES OFFENSIVE TO MUSLIM SENTIMENT APPEARING IN JOURNALS AND MAGAZINES IN ENGLAND.

Sir Muhammad Yakub: (a) Are Government aware that certain articles offensive to the Muslim sentiment, appeared lately in certain journals and magazines in England, such as, those which appeared in the *Every Woman's Magazine* in May last year, in which was also published the picture of our Holy Prophet Muhammad (Peace be on Him)?

(b) Are Government aware that there is a great deal of resentment amongst the Mussalmans of India on account of the publication of such articles, and strong protests were made by the Mussalmans of Bombay and other places?

(c) Are Government aware that Mussalmans take great objection to the publication of the picture of their Holy Prophet?

(d) Will Government convey to the Secretary of State for India and the British Government the feelings of the Mussalmans of India and impress upon them the necessity of stopping the publications and pictures by bringing pressure upon the English Press and the Press Associations in England?

The Honourable Sir Henry Craik: (a), (b) and (c). Yes.

(d) The Secretary of State has already taken action in the matter, and, on the article being brought to his notice, wrote to the Editor of the paper in question drawing his attention to the objectionable features in it. He has further issued a circular to all British Editors through their professional Associations calling their attention to the offensiveness of such articles to Muslim feeling and warning them of the main points to be avoided when writing any articles on Islam. The Associations have conveyed this warning to their members.

MOTION *RE* APPOINTMENT OF A COMMITTEE TO EXAMINE THE WORKING OF THE OTTAWA TRADE AGREEMENT—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the motion moved by the Honourable Sir Muhammad Zafrullah Khan regarding Ottawa Trade Agreement.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, it is a matter of some regret to me that today I have to oppose my old Professor, Dr. John Matthai, by the very knowledge of economics which he has taught us. He told us amidst a great barricade of "ifs" and "buts" that he laid down certain principles by which the Ottawa Agreement could be reasonably judged. He said that the object of the Ottawa Agreement was nothing but diversion of trade in those difficult times, a trade which, when it was not responded to in other countries, could be reasonably diverted to Great Britain. We have absolutely no objection to the diversion of trade if it is really of good profit to India. Our whole complaint has been that where there has been some diversion of trade there has been greater loss in our trade with other countries. Secondly, he expressed his very great suspicion about figures. Honourable Members on the other side seem to blow hot and cold in the same breath. When it is to their advantage, they say, look at the Ottawa Pact, what advantages it has brought to us; but, on the other hand, when we point out the disadvantages due to the Ottawa Pact, they say, you must be very careful, there are other considerations to be taken into account. There are currency difficulties, the world is just now in a very bad state and so Ottawa ought not to be blamed. I cannot understand how they can adduce both the arguments at one and the same time. I would just say one word or two about my Honourable friend, Mr. Ganba. He, with a very great virtuous indignation said, "why burke an enquiry", and the answer to that is found in what one of our Front Benchers said that two and two make four, whether you have a Committee to go into that question or not. You do not want a Committee to prove that two and two make four.

Having said so much by way of introduction, let me come to the examination of the subject, namely, the Ottawa Pact. I shall not take the time of the House in examining the figures of each article over which preference has been given to us or given by us. My Honourable friend, Mr. Abdul Matin Chaudhury, has done that to some satisfactory extent. I shall try to confine myself to considering the effect of this Trade Agreement on our trade. First, I shall try to examine as to what exactly this preference to Great Britain given in the Pact has cost us. Secondly, it shall be my endeavour to examine somewhat as to how it has affected our foreign trade, both import and export, and, thirdly, I shall try to estimate how much we have been able to profit by the preference that has been given to us.

In these discussions, let me first make myself clear that I am dealing only with so far as Great Britain is concerned. The Ottawa Pact presumes to give us some preference to the British colonies also. That portion of the trade being rather small, I have for the moment not taken it into consideration. Pages 178 to 189 of the Report on the Working of the Ottawa Scheme of Preferences, resulting from the Trade Agreement

concluded at Ottawa between the Government of India and His Majesty's Government which has been published by the Government of India and has been circulated to Honourable Members of the House, show the imports of articles in which the United Kingdom enjoys preference in this country. The amount of preference that each of these articles enjoy may be found in Appendix F of the Agreement. Now, we shall try to calculate the cost of giving this preference.

Preference is, in other words, protection to the articles of that country to which it is given against the competition of similar articles from other countries. Protection ordinarily means that, by the imposition of an import duty, the articles of our country are protected from competition of imports of articles of the same nature of other countries. But preference serves to discriminate the goods of one country over another and chooses to give a sort of protection to the goods of one country as against those of others. The Honourable the Finance Member, while replying to Sir Homi Mody in the recent budget discussions, laid down the way in which the cost of protection may be measured. He calculated the price which the consumer is paying for it now and the price for which he would get it without this duty and the difference, *i.e.*, the excess amount that he has to pay is the cost of protection that the consumer has to pay. The same thing happens in preference. If that is so, the preference that you give is the cost that you give for giving preference to a particular country. Judging from that standard, the total import of articles, under Schedule F imported from the United Kingdom, is 16,90,08 thousands. Of these, except about four items chiefly motor cars and connected things, all the rest get a preference of ten per cent. These latter things get 7½ per cent. preference and amount to 1,85,79 thousands. Thus, for articles costing 15,05,79 thousands we give a preference of ten per cent, and in these the cost of preference is 15,05,7 thousands. The cost of preference in these other articles is about 13 lakhs. That is the total cost of preference that the consumers in this country have to pay, that is roughly, not taking into account the prices, it is about one crore odd duty.

Now, Sir, it is not my purpose here to examine the amount that it might have cost us and compare it with the amount that it might have cost the United Kingdom for the preference they have extended to our goods. Let us next see what this giving of preference to British goods has cost to our foreign trade. It was Sir Arthur Salter, one of the greatest economists of Europe, that said:

"The only true criterion of success, let us remember, for Ottawa, is whether or not it results in an increase of total volume of trade, imperial, internal and external together in the total mass of profitable interchanges. To change the direction without increasing the total of our trade is no success. To increase one section at the expense of greater loss direct or indirect elsewhere would be a failure".

This the House will agree with me, is a very fair test by which the results of the Agreement in question may be tested.

I am sorry to note here that the author of the report on the working of the Trade Agreement has in his introductory remarks in that book suggested a somewhat misleading method of judging this matter. In page 2 he says:

"It must, however, be clearly understood that the effects of the preference in such a case can be judged truly only from the position of India in the United Kingdom market. If India has improved her relative position in the United Kingdom as disclosed by her percentage share in the total United Kingdom imports then, other things being equal, the preference must *prima facie* be deemed to be valuable".

[Mr. T. S. Avinashilingam Chettiar.]

This cannot be; and the effect of the Ottawa Trade Agreement should be judged on India's foreign trade as a whole. In this connection, I must say a word here about the propaganda done by Government through their publicity department. I have had the pleasure of going through all their press notes. I am sorry that the time at my disposal does not allow me to refer to them in detail. Many of my Honourable friends here will agree with me that they have been written on a partisan basis rather than furnishing material for a proper conclusion.

Now, let us look at a few figures regarding India's foreign trade. Page 128 of the Review of the Trade of India shows the total imports and exports of India. In 1931-32, *i.e.*, the year before Ottawa, the exports and imports were 161 and 126 crores, respectively, leaving a favourable balance of 35 crores. In 1934-35, the exports and imports are 155 crores and 132 crores, respectively, leaving a favourable balance of only 23 crores. Thus, considered as a whole, the favourable balance has deteriorated from 35 to 23 crores, *i.e.*, by 12 crores.

Now, let us consider the directions of our trade. Pages 128 and 129 of the same volume show the directions of our foreign trade. Table B shows the main countries whose goods are imported into India. As we look at this table the very first thing that strikes us is that the United Kingdom has improved her imports into India from 35·5 per cent. in 1931-32 to 40·6 per cent. in 1934-35. The other main countries who import goods into India are Germany, Japan, U. S. A., Belgium and Italy. Except Japan, all the other countries have suffered a set-back in their imports into India. Turning to Table C showing exports by India to other countries, we will see that our exports to the United Kingdom have improved, but we will also see that our exports to other countries have decreased, namely, Germany, U. S. A., France, China, Netherlands, etc. In effect if we are to consider our balance of trade with all these countries put together, our total balance of trade does not show a hopeful outlook. I am obliged to the Federation of Indian Chambers of Commerce and Industry for the following figures in page 15, which I think have been already referred to by other Honourable Members. I shall read only a few lines:

"The position in 1934-35 has changed materially and though her adverse balance with the United Kingdom diminished to 6·2 crores from 36·5 crores in 1929-30, her favourable balance with practically all the foreign countries got a set-back. Her dealings with Germany, which gave her once a favourable trade balance of 10·8 crores have in 1934-35 resulted in an adverse balance of 3·1 crores and so is the tale with every foreign country, particularly France and U. S. A.....India has now an adverse trade balance with Germany to the extent of three crores and substantially reduced favourable balances with the United States of America and France to the extent of 4·5 and 3·7 crores, respectively".

Now, Sir, I come to the much vexed and much disputed question of retaliation of other countries. We are obliged to the Government for the list of "Restrictive measures applied by various Governments against Imports since 1927". I have gone through this document somewhat carefully, and I find that, with the single exception of the Japanese prohibition on the import of rice except under license, all the other restrictions imposed by the various Governments in the years 1927 to 1930 were due to reasons of health and hygiene. In 1931, Turkey and Spain put some

restrictions on some articles of minor importance. It is in 1932 and after that year that restrictions against goods,—and we are concerned with Indian goods,—have grown in enormous volume. Germany, Japan, France, Belgium, Turkey, Persia, Italy and other countries have imposed restrictions on Indian goods.

We shall take a few of the important countries and see their relative position in their trade with India before and after Ottawa and see whether the Ottawa Agreement could have, in any way, contributed towards the framing of these restrictions against Indian goods. We shall take Germany, France, Belgium and Italy. The chief articles of imports of Germany into India are machinery, motor cars, liquors and artificial silk, in all of which Britain enjoys preference under the Ottawa Pact and so has been able to drive out Germany. The chief articles of imports into our country of France are motor cars and instruments in which also Britain enjoys a preference to the disadvantage of French goods. Belgium used to import machinery, instruments and chemicals, all of which have suffered owing to the preference given to British goods. Italy used to send motor cars, instruments and artificial silk, most of which have been affected by the preference given to Britain. In these circumstances, let Honourable Members think out for themselves what will be the most natural course of action for those countries. The palpable reason they give is to set right their balance of trade: certainly so, but this itself was caused by their being driven from the Indian market, which, therefore, is the final reason for these restrictions on Indian goods. In this connection I would like to quote just a little as to what you, Sir, in your dissenting minute to the report of the Committee appointed by this Assembly stated. After detailing the various restrictive measures taken by the foreign countries against imports, you say:

"These examples amply bear out the contention that if India is to export her products to foreign countries, she can do so only in exchange for commodities from those countries. It makes no difference in the result whether the motive actuating the action of foreign countries is retaliation pure and simple, or the adjustment of their trade balance. We strongly recommend to the Government and to the Legislature that if we are to retain our foreign markets, the question of trade agreements with countries like Germany, Italy and others should be seriously considered. Only the other day we entered into such an agreement with Japan with respect to cotton and cotton goods. The haphazard system of indefinite preferences such as those contained in the Ottawa Trade Agreement, is not going to help India; on the other hand, we feel convinced, it will if continued much longer, vitally injure our trade and industries and the country's finances".

I shall touch upon another matter before I finish. Tea and linseed are two important articles of export which enjoy preference from Britain under the Ottawa Pact. My Honourable friend there has quoted from the official report as to how the International Trade Agreement and restriction on tea has virtually prevented this preference from coming into action. I shall draw the attention of the House to linseed. Much has been said about it. It has been pointed out and, if I may say so, very rightly, that the phenomenal rise in the exports of linseed to Britain in the year 1933-34 has been due to the failure of the crop in the Argentine. It has been said that linseed has been given a large preference in Britain. This is said by those who are not aware of the system of drawback working in London. Sir, I will quote an article in this matter from

[Mr. T. S. Avinashilingam Chettiar.]

the *Hindustan Times*. The Honourable the Commerce Member in answer to one of my questions has vouched for the correctness of the statements contained in this article: This statement is this:

"To many Indians not knowing the intricacies of the British tariff structure, the decision of the British House of Commons in approving an increase in the import duty on linseed oil from 70 shillings to 100 shillings per ton may come as a further proof of the Britisher's desire to offer preferential treatment to Indian linseed oil in the United Kingdom market, against imports from non-Empire countries. That the increase in the import duty is mainly required in the interests of the British crushing industry is evident from the remarks made by Dr. L. Burgin, Parliamentary Secretary to the Board of Trade.

It will be remembered that under the Ottawa Trade Agreement, a duty of 70 shillings on non-Empire linseed oil was levied and the Legislative Assembly, while ratifying the Trade Agreement, was not made aware of the existence of a system of drawback, under which goods manufactured in the United Kingdom from imported linseed oil on which a duty of 70 shillings was paid were allowed a drawback of 40 shillings per ton of linseed oil used in the manufacture thereof. This drawback of 40 shillings was further increased to 60 shillings per ton from November 22nd, 1934, during the currency of the Trade Agreement. Indian linseed oil, therefore, could not make any headway.

In the United Kingdom nearly 60 per cent. of the imported linseed oil is utilized in the manufacture of paints, enamel, varnishes, printers' inks and a number of allied products; it is also used in the manufacture of linoleum, cork carpets, felt base, etc., etc.".

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has two minutes more.

Mr. T. S. Avinashilingam Chettiar: No, Sir, five minutes. I began at 11-5.

Mr. President (The Honourable Sir Abdur Rahim): No, no.

Mr. T. S. Avinashilingam Chettiar:

"Even in case of imports of linseed from Argentine, a drawback of 18 shillings out of an import duty of 10 per cent. was allowed to British crushers, if the oil crushed from the Argentine linseed was utilized for the manufacture of the articles mentioned above. Both these drawbacks nullified the preference sought to be given to Indian linseed and linseed oil, under the Ottawa Trade Agreement".

I have got to say one word more before I sit down. The Honourable Member, Seth Haji Abdoola Haroon, asked us yesterday not to reject the Agreement for political reasons. I would like to point out what has been already pointed out by so many Honourable Members, that not one Chamber of Commerce is in favour of prolonging this Agreement. It is not a few political agitators here and there who are crying against this Agreement: but not one Chamber of Commerce has said anything in its favour, and that I say is a very great argument in favour of the termination of the Ottawa Agreement. Sir, I support the amendment which has been moved by my Leader.

Mr. A. H. Lloyd (Government of India: Nominated Official): Sir, I do not propose, in the few remarks which I shall address to the House, to survey the whole field of the discussion, and in particular I shall leave those better qualified than myself to deal with what, after all, is

the essential point, namely, whether the Ottawa Agreement is or is not *prima facie* beneficial to the export trade of this country. But I have felt obliged to say something about one aspect of its effect upon the import trade of this country as a result of a certain argument which was used by Dr. Banerjea in his speech yesterday. I am sorry that the Honourable Member is not present here today, but I am afraid I shall have some hard things to say about him in his absence. Dr. Banerjea, among his arguments against the Ottawa Agreement, put forward the proposition that it had been detrimental to the finances of this country. He said that he had worked out that it meant a loss of approximately a crore of rupees in import duties. Now, most Members of this House, whether on the Official Benches or elsewhere, have had some experience of the practice of law—whether from the point of view of the bench or from the point of view of the bar—and all such will, I think, agree that there is an unfortunate tendency that is all too frequently met with for parties to judicial proceedings to weaken their cases, when they think that they are strengthening them, by producing false witnesses. I am going to attempt to show to the House that this particular argument put forward by Dr. Banerjea constitutes a witness that will not bear cross-examination. Dr. Banerjea based his calculation that there was a loss to British Indian revenues of one crore of rupees on the allegation that preference had been granted by maintaining the previous duty as the standard rate of duty and reducing the duty for preferential purposes by ten per cent. That is not the case. It is true that in the case of a certain number of items in the Ottawa Schedule which fell under the category of what we call for convenience luxury duties—on which the rates before 1932 were 50 per cent.—the Government of India put forward a proposal, which was accepted by this House, that the standard rate should continue to be 50 per cent. and the preferential rate 40 per cent. Apart from the fact that those particular items constitute only a small part of the Ottawa Schedule, I am in a position to say that it was deliberately with the object of avoiding a loss of revenue that that course was taken. Now my Honourable friend, in the career which I understand he has now given up, must have been familiar with the existence of a theory that is commonly called the law of diminishing returns. We had come to the conclusion, purely as a revenue proposition, that in the case of a number of "luxury" items a duty of 50 per cent. was too high for the safety of the revenue and that it was a very good thing that we had an opportunity of reducing that duty for this part of the trade, even though we retained it for the rest. I do not wish to say more about those particular items, because they are of relatively small importance. The great bulk of the articles which were covered by the Ottawa Schedule were liable to duty before the amendment at 25 per cent. *ad valorem*, and the great bulk of those were put in the new tariff with a rate of duty of 30 per cent. standard and 20 per cent. preferential. Now, it should be obvious to any one that there is no *prima facie* probability of that causing a serious loss of revenue or indeed any loss of revenue at all. If there is any swing over from foreign suppliers to British suppliers, it means that in those cases the Indian consumers had the opportunity of using an intrinsically more expensive article, in many cases a superior article, instead of a proportionately cheap foreign article, and, in many cases, an inferior article.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): But has it had any effect at all?

Mr. A. H. Lloyd: I think the Honourable Member has only to go to the market to see that there are more British goods than there were before 1932. There is no presumption, therefore, that there is any loss of revenue at all. So much for the change of the duty from 25 per cent. *ad valorem* to one of 30 per cent. standard and 20 per cent. preferential. What are the items in the 25 per cent. list of which it is true to say, as Dr. Banerjea was rash enough to say yesterday, that the preference was granted by a reduction by ten per cent. of the duty for British goods, while maintaining the duty at the same rate for foreign goods? The only ones I can find in the list are:

Asphalt, which is used in works of public utility;

Liquid gold and certain chemicals, used for glass-making, as a small contribution towards assistance to the glass industry; and

Cinematograph films (not exposed) that was done on purpose as a small contribution towards the demand for assistance to the Indian Cinematograph industry from the State.

There is another important class of goods where the preference is 7½ per cent. and where, again, the preference was granted wholly by a reduction of duty on British goods, but by maintaining the old rate as a standard rate for foreign goods. That is the class which comprises what I might compendiously describe as "Motor Vehicles". The former rates, in each case, were maintained for foreign goods, and the 7½ per cent. lower rates were imposed for British goods. In these cases again the Government of India had very definitely before them the interests of revenue in putting forward that proposition because they were satisfied that there was reason to believe that maintaining a high rate of duty was not in the best interests of revenue, and that it would certainly be detrimental to the revenue to give preference by increasing the duty on foreign goods by the whole amount of 7½ per cent. or by a share of it. In this case there were very important further considerations apart from the effect upon the returns of the import duty on motor vehicles themselves: we had to consider also the effect upon subsidiary revenue items, the most important ones of which are motor tyres and tubes and petrol. I submit that it was at least not to the detriment of the revenue that we proposed that the preference should be given in that particular way. . . .

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): What has been the effect?

Mr. A. H. Lloyd: The effect has been that the duty on motor cars which, in 1932-33, was Rs. 64 lakhs odd, rose to Rs. 1,02 lakhs odd in 1934-35. I do not say that is conclusive, but it is a very strong *prima facie* indication that we were not unwise in granting preference in that particular way. These are a few exceptions to the general rule that preference was granted by increasing the duty on foreign goods by part of the margin of preference and reducing the duty on the British goods by the rest of the margin of preference. Against them, I have to set equally important items, in which the preference was given by maintaining the former rate as the preferential rate and putting the whole margin

of preference on to the standard rate of duty. When that was done, it may be the case—I think perhaps Prof. Ranga would be entitled to suggest that we were toying with the danger of again hitting the law of diminishing returns; but it was done in those cases specially in the interests of various Indian industries, the most important case of which was that of woollen textiles. In that case, I think, I am right in saying, it was during the course of the sitting of the Select Committee which dealt with that Bill that certain interests strongly represented in Cawnpore urged upon Government that the former rate should be maintained as the preferential rate and the whole of the preference should be given by increasing the standard rate. In short, in the more easy-going atmosphere of the Select Committee, that particular industry secured a certain amount of the protection which they wanted, but which they were not prepared, at a later date, to ask for from the Indian Tariff Board by the production of regular evidence and submission to a regular enquiry. That is the most important item in which the preference was given in that particular way; but there were several others including vegetable oil, non-essential oils, toilet soaps, hosiery, haberdashery, etc., etc. I do not propose to go into these details at great length, because I think the fact that they are matters of detail is a strong argument in favour of relegating any enquiry on this subject to a committee and not attempt to come to formal conclusions in this Assembly. But I do submit with confidence that a *prima facie* case has been made out, which completely undermines the somewhat rash assertion of my friend from Calcutta that there must have been a loss of revenue because, in some cases, the duties were reduced. It is very difficult to draw an estimate of what would have been the trade in the absence of the Ottawa Agreement. It is impossible to make an exact calculation and the only way in which we found that anything can be done was when this matter was last raised in August, 1931; namely, the method illustrated in Appendix III to the report of the Committee appointed by this Assembly to examine and report on the working of the scheme. Now, that note divided the trade into three heads. . . .

Mr. M. S. Aney (Berar Representative): Am I right in understanding the Honourable Member that he maintains that there is no loss of revenue on account of the reduction of duty?

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): No loss of revenue whatever?

Mr. A. H. Lloyd: What I maintain is that there is no evidence of any loss of revenue. I cannot be so positive as to say that there is no loss: that is incapable of proof. But I say there are *prima facie* grounds for saying there is no loss of revenue. If I may resume, that particular note which appears in appendix III to the report which I have quoted, divided the goods into three heads,—Tariff headings entirely affected by the Ottawa Trade Agreement, Tariff headings partially affected by the Ottawa Trade Agreement, and Tariff headings entirely unaffected by the Ottawa Agreement,—and that note showed that between 1932-33 and 1933-34 (that is, in a year nine months of which were under the old rates of duty and a year in which the new rates of duty were effective throughout) there had been an increase under head I of 1¼ per cent., a decrease under head II of five per cent., and a decrease under head III of 23 per cent. Now,

[Mr. A. H. Lloyd.]

I recognise that the minority in the minute which they attach to that report questioned the validity of those conclusions largely on the ground that the headings under table II should show separately those items that were not affected by the Ottawa Agreement. We did not supply separate figures because such figures were not available as we did not keep our statistics before the Ottawa Agreement came into force in a form which exactly classified goods in accordance with a tariff which was not then in existence and which we could not foresee. That disability still remains, so far as the comparison between 1932-33 and any later year goes. But subject to that admission of that disability I do think it is fair to repeat the same sort of comparison: if we add the two tables together, tables I and II, we find that in 1932-33 they brought in Rs. 17,30 lakhs, while in 1934-35 the figure was Rs. 19,71 lakhs or a net gain of 14 per cent.: whereas table III, the head of items entirely unaffected by the preference, declined from Rs. 24,29 lakhs to Rs. 18,82 lakhs or a decline of 23 per cent. Table III, I admit, includes sugar which, because of the almost prohibitive character of the high protective duty, has had remarkably disturbing effects, but, even if we exclude sugar, we find that the items unaffected by the Ottawa Agreement declined from 17,45 lakhs to 15,02 lakhs, or a decline of 14 per cent. On the one side, the items wholly or partially affected by the Agreement show an increase of 14 per cent., on the other side items entirely unaffected show a decrease of 14 per cent. Sir, as I have said, for the reasons I have given we cannot restrict our comparison strictly to goods in clause 2 which were affected by the Agreement, but we can do that as between 1933-34 and 1934-35, and I think that those figures are of value, because they show the continuance of a tendency which is illustrated in the other figures. For these later years, I am in a position to divide the items formerly described as "partially affected" between those which were affected and those which were not, and the figures are as follows. Adding together all the goods affected by the Ottawa preference, there has been a gain of 19 per cent. between 1933-34 and 1934-35, the actual figures being 11,29 lakhs and 13,47 lakhs. Adding together the items unaffected by the Ottawa Agreement, there has been a gain of four per cent. from 24,15 lakhs to 25,07 lakhs; or, if once again I exclude sugar from the items unaffected by the Agreement, there has been a gain of from 19,41 lakhs to 21,26 or a net gain of 12 per cent. only.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has only two minutes more.

Mr. A. H. Lloyd: I suggest that this does raise a strong presumption, at least, for the contention that the revenue has not been adversely affected by these changes. If I might, in the one minute that remains for me, just make one passing remark, it is with reference to what the speaker, who has just sat down, said about the effect upon the consumer. He said that the whole of the preference must have been a burden on the consumer. That, I think, presumes that the only effect of the preference has been to retain the volume of British trade at a figure at which it would have stood otherwise and put the margin of duty as a profit into the pockets of the British manufacturers. Surely, Sir, that is not the intention of the Agreement. The intention of the Agreement is to

allow the manufacturer to extend his markets, which he can only do by taking off a portion of the profits to reduce prices. I submit, therefore, on that ground it is fallacious to suggest that there is necessarily a burden on the consumer.

Mr. F. E. James (Madras: European): Sir, we are at some little disadvantage in connection with the discussion of this subject on the ground that the amendment, which has been tabled by my Honourable friend, Mr. Jinnah, was only available to Members of the House this morning, and up to this moment he has not enlightened this House as to the reasons which he has for moving this particular amendment. My friend, Mr. Jinnah, is, I suggest, not quite so considerate or courteous to the House as he usually is in this regard. It is difficult to discuss the three or four amendments when those Movers, with the exception of one, have already made their position clear to the House. . . . . .

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): May I rise to make a personal explanation? I do admit that I gave notice of my amendment rather late, but I think the Honourable Member knows better than anybody else in this House that there were certain discussions going on, to which he was a party, and while those discussions were going on, I would not have been justified in tabling my amendment which I have sponsored now.

Mr. F. E. James: I am afraid I was not a party to any discussions which have been going on since the debate began, but I hope that my friend, Mr. Jinnah, will, at any rate, take the House very shortly into his confidence with regard to the real meaning of his own particular amendment. If he does not do so, then this debate will have a certain amount of unreality about it.

Now, my friend, the Honourable the Leader of the Opposition, suggested the other day that the European Chambers of Commerce had expressed no opinion on the Ottawa Agreement. That is not so. As a matter of fact, if he had listened to the views expressed here from time to time, he would have realised that when we speak from these Benches, we usually speak on behalf of the various commercial interests in our constituencies. Also, if he had taken the trouble to read from time to time the pronouncements on this subject made by the President of the Associated Chambers of Commerce and by various Presidents of European Chambers of Commerce, up and down the length of the country, he would have realised that we have expressed our views. I would say, Sir, that the general view of our Party and of those whom we represent, in regard to this Agreement has been most succinctly expressed by the President of the Upper India Chamber of Commerce, Sir Tracy Gavin Jones, in which he said: "I think that the Ottawa Agreement should be revised, certainly not terminated, as of no value".

Dr. P. N. Banerjea: Revision implies termination.

Mr. F. E. James: My friend suggests that revision implies termination. I understand his idea is first of all to terminate the Agreement, then examine it, and then revise. We prefer to examine it first, and then decide whether we are going to revise or terminate; but I shall come to that later. The quotation from Sir Tracy Gavin Jones went on to say:

"It is possible that without the ten per cent. preference India's export trade with the United Kingdom might have been still worse".

[Mr. F. E. James.]

I quite agree that we do not, as a rule, attempt to prejudge the issue on these matters, nor do we indulge in the publication of political pamphlets of somewhat doubtful economic value. Now, Sir, our own views in this Group are that, while in the past and possibly at Ottawa, exaggerated claims have been made on behalf of this Agreement, yet, Sir, India has certainly benefited, and there is no reason for any summary step to be taken in regard to termination. I am not going to weary the House with a large number of figures after the speech to which we have just listened, but I would remind the House that whereas in 1931-32 India's exports to all countries were 157 crores, the following year 133 crores and the following year 152 crores; in the same period India's exports to the United Kingdom rose from 42·88 crores to 48·07 crores. Over the whole period since Ottawa, the percentage increase of India's exports to the United Kingdom rose by 30·5 per cent. and to other countries by five per cent. We suggest, Sir, that that result is to an appreciable extent the result of the stabilising influence of this particular Agreement. Sir, we have been very careful to circulate to the Chambers of Commerce and trades and planting associations inquiries as to any specific commodities in which they are interested. We have received unanimous support for the principle of non-termination but revision. We have also received evidence for the suggestion that, in regard to certain commodities, those who are trading in those commodities have appreciably benefited; I may mention rice, teak, beans, and general produce, tanned leather, tea, woollen carpets and rugs, Indian cotton, paraffin wax, as well as a number of others. Yesterday, an Honourable friend from the Independent Party referred to the matter of coffee. I think he was misleading himself when he drew any analogy from the import figures into the United Kingdom. I represent interests which are greatly interested in coffee. We are not altogether satisfied with the present result of the Ottawa Agreement; but even on the present result, the effect of the Agreement is marked. It is necessary to take the consumption figures in the United Kingdom, and, although the total consumption of coffee in the United Kingdom has declined in the last four years by something like 6,000 tons, the consumption of Indian coffee has actually increased to the extent of 300 to 400 tons. In a falling market in regard to coffee India has more than held her own. The interests which my Honourable friend, Dr. DeSouza, and myself represent are at the present moment joining with the other Empire coffee producing countries in asking for an increased preference. (Interruption.) It frankly is not honest to say that no benefit has accrued as a result of the Ottawa Agreement. (Interruption.) I am quite prepared to admit that owing to various factors. . . . . .

Dr. P. N. Banerjea: Whom are you replying to?

Mr. F. E. James: I do not give way. May I ask for the courtesy which I gave to my Honourable friend yesterday?

Dr. P. N. Banerjea: Who said that there was no benefit?

Mr. F. E. James: It is quite true to say that in certain respects the results of the Ottawa Agreement are not as satisfactory as they might have been, due mainly to world causes, over which neither India nor the United Kingdom has a dominating influence. Industrial depression, the rise, almost to its peak, of economic nationalism, monetary changes, exchange instability, price fluctuations, changes in the demand for and supply of individual commodities. We have to regard this Agreement not only from the point of view of the relationship between India and the United Kingdom, but also from the point of view of general world conditions. You cannot isolate the results of this Agreement from the other influences that are operating in the economic life of the world to-day. Then, it is not historically accurate to say, as has been suggested in this House, that the United Kingdom forced this Agreement upon India. Nothing is further from the truth, and those who know anything about the negotiations at Ottawa or who have even taken the trouble to read the report of the Indian Delegation at Ottawa cannot possibly make that statement. If that be the case, why, then, in the case of India was there a provision, which does not appear in any of the other agreements with the Dominions, for a six months' notice of termination at any time?

Now, Sir, I wish to say a word on the argument about retaliation. I would point out that a system of preferential tariffs has, in fact, been in operation within the Empire since the end of the 19th century and has never been challenged by any foreign country. I would also point out that French Colonial policy used preferences before the War and increased that policy during the years of the War. I would also remind the House that the nations which belong to the Scandinavian group used the preference system years before 1932. It is quite untrue to say that, because of the adoption of this system, therefore, other nations have been forced to take similar methods. This system of preferential Agreements adopted at Ottawa was the result of world forces, and not the cause of these forces. I would also point out in regard to measures for restriction on the part of foreign countries that India has never been singled out. Not only is India not singled out, but the British Empire is never singled out. Those measures, which are taken on the part of foreign countries to protect their exchange and trade position, are measures taken for economic and financial stability, and not measures of retaliation. The answer to that argument is best summed up in the words of ***Indian Finance***, a paper which many of my Honourable friends read:

> "Those who condemn the Ottawa Pact for retaliation on Indian imports in foreign markets are guilty either of ignorance or intellectual dishonesty".

I cannot conceive that intellectual dishonesty is the real reason. It is fair to ask those who are out for denunciation, what are their alternatives? The Congress Party have none. They are usually destructive, and in this case they have no definite alternative policy. I have waited in vain to hear some constructive suggestions from the other side as to what you should do after you have denounced the Agreement. My Honourable friend, Mr. Mathuradas Vissanji, talks about replacing this Agreement by another agreement based upon the principle of "perfect reciprocity". What does he mean by perfect reciprocity? How can you say, when you enter into negotiations for an agreement with another country, that such and such terms represent the basis of perfect reciprocity? I suggest that my Honourable friend does not know what he is talking about when he talks about perfect reciprocity in trade matters.

Mr. Mathuradas Vissanji (Indian Merchants' Chamber and Bureau: Indian Commerce): Better understood by yourself.

Mr. F. E. James: A further suggestion is that we should enter into bilateral trade agreements with other countries—I notice that in the amendment of my Honourable friend, the Leader of the Independent Party. He is prepared, of course, after denunciation,—that must come first, but he is prepared, after that has been done, to enquire into the possibility of examining the trend of the trade of India with various other important countries and the United Kingdom and investigate the possibility of entering into any such bilateral treaties, etc. Of course, the denunciation part must come first, otherwise we would not get the support of the Congress Party. . . . .

Mr. M. A. Jinnah: I will get your support.

Mr. F. E. James: My Honourable friend is an adept in stealing Congress clothes. (Laughter.) But after that has been done, after walking into the parlour of denunciation, he will sit down and examine the various trends of trade and investigate the possibility of entering into bilateral trade agreements with other countries, so that, possibly the export trade of India, which in the meanwhile is probably going to ruin, may be expanded. My Honourable friend must know that bilateral agreement means an attempt to balance trade receipts between two countries. It is a well-known form of agreement. As a matter of fact, 72 per cent. of the merchandise trade of 22 countries in the world is of a bilateral type. But what happens? Bilateralism as a policy has contributed more to the recent fall in the value of world trade than almost anything else, and I suggest that it is an extremely dangerous policy for my Honourable friend, Mr. Jinnah, to commend to a debtor country like India. I am quite prepared to be asked, and, in fact, it is only fair that I should be asked, what is your alternative? Though we do not believe in bilateral agreements, here I may say quite frankly that I am prepared to sit down with Mr. Jinnah and examine that. Our alternative is the alternative of revision, revision of the Agreement. A note which I have received from the Upper India Chamber of Commerce refers to the Report of the Committee of the Federation of Indian Chambers and suggests that it has made out a good case for a revision of the preferences allowed by Great Britain to raw products from India. I myself formed the impression when I read that Report, that it was leading up to a plea for revision; but, unfortunately, the past history of the Federation made them insist upon denunciation. Now, Sir, on what lines might revision follow? First of all, in regard to export items. Here are some suggestions . . . .

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Tea and coffee?

Mr. F. E. James: Certainly I want an increased preference on coffee. So do my Honourable friend's countrymen in South India. Secondly, the question of the drawback in the United Kingdom on manufactured products containing linseed oil requires examination. Then it would be a good thing if we can examine the question of the specific duty by weight on cigars; if we could obtain a duty on foreign fats, oils and oil seeds; if we could obtain a duty on non-Empire cotton seed; if we could secure the removal of Russian hemp from the free list in the United Kingdom; and if we can examine a more definite footing for Indian raw cotton sent to the United Kingdom from this country.

12 NOON.

There may be many other things that occur to Honourable Members also. So far as the import items are concerned in Schedule F, an examination of that schedule is necessary with a view first of all to the necessity of safeguarding the position of Indian industries and secondly with a view to obtaining freedom of action in regard to trade with other countries in certain of those commodities. I would call the attention of the House to a very important interview which was given on this very subject by Mr. Nalini Ranjan Sarkar in which he pleaded, not for denunciation, but for revision of the Agreement and for revision somewhat along these lines. As far as we are concerned in that matter, we are in agreement with him. The third point is that there should be close consultation with representatives of commerce and industry in this country either before or during the actual course of the negotiations. I suggest that that is a constructive line of approach to this question, which is not present in the Resolution of the Honourable the Leader of the Opposition. What are likely to be the effects of the denunciation? First of all, it would single out India from the rest of the Dominions who are at present and have for some time been talking not of termination but of revision of their Agreements. Secondly, denunciation plays straight into the hands of the British manufacturers. Let me, Sir, read from a report of a Committee of the Association of British Chambers of Commerce on the Ottawa Agreement. It is perhaps one of the biggest commercial bodies in the United Kingdom. It corresponds to the Associated Chambers of Commerce in India. This report has been adopted by the Executive Council of that body. After giving certain statistics, the Committee goes on to say:

"The statistics include in some instances considerable increases in the imports into this country of manufactured goods from particular Dominions. (*When they use the word 'Dominion', they include India all along.*) The provisions in the Ottawa Agreements granting free entry into this country to Dominion products have proved exceedingly beneficial to the Dominions. As a result of this concession, goods similar in character, made from the same raw materials, are treated differently by the United Kingdom Government and the Governments of the Dominions; when exported from this country to a Dominion, such goods are required to pay duties while they enter this country free when produced in the Dominion. In view of this apparent anomaly, the Committee recommend that the Government be asked to consider the effect of such imports of manufactured goods upon industries in the United Kingdom".

Sir, the effect of denunciation of this Agreement, without further consideration, will strengthen the hands of the British manufacturers who are already agitating for a removal of the special preferences given to certain Indian manufactured products in the United Kingdom.

An Honourable Member: Have you any objection to hand us a copy of that?

Mr. F. E. James: I will also refer to another illustration which only occurred this month. In the *Times*, the other day, there was published a report of a Company, called Crossley and Co., at Leeds, in which the Chairman of the Company pointed out that, during the past five years, the imports of Indian carpets into the United Kingdom had increased by over a million square yards, and he recorded with great pleasure that, in the last year under review, there had been a very slight diminution in that increase. Do my Honourable friends really think that if they are going to denounce summarily this Agreement, they are not going to play

[Mr. F. E. James.]

into the hands of those who are up against the imports into the United Kingdom of Indian manufactured goods? I may say, Sir, from my knowledge of my own country, that once these preferences or that free entry are lost, as far as our manufactured goods are concerned, they will never be obtained again in the United Kingdom. Then there is a further point which has not been touched upon in this House but which I believe it to be perhaps the most important point of all, and that is the effect which will be created by denunciation of the Agreement at the hands of this House upon those who will shortly be coming to this country to negotiate a further Indo-Japanese agreement. Everybody in this House knows perfectly well that as far as the Ottawa Agreement is concerned, Great Britain is not likely to be in a position to negotiate for a new agreement until 1937. Therefore, the news that this country has denounced the existing Agreement will be received, I have no doubt, with the greatest delight by our Japanese friends. The result will be that India will, to some extent, be isolated during the time of these negotiations and will be without the friendly backing of the United Kingdom which is so important, and which was available at the time of the last negotiations with Japan. One can almost hear the Japanese industrialists sharpening their knives in preparation for the scalping of the Indian industrialists. Then the fourth effect of the denunciation of the Agreement is that it will strengthen the position of the Dominions *vis-a-vis* the United Kingdom at our expense. That has already been touched upon by a previous speaker, and I will not, therefore, go into details on that matter. The final point, which has already been made by Seth Haji Abdoola Haroon is that denunciation will undoubtedly unsettle trade and commerce. That is the evidence we have received from practically every Chamber of Commerce throughout the country. Now, Sir, I would like to ask my Honourable friends on the other side, 'Why denounce?' What is the real point about denunciation? I would like my Honourable friend, Mr. Jinnah, to explain to me why it is that he is so anxious to terminate the Agreement without delay, before even inquiring into other alternatives? What is the real point? Has the United Kingdom said that she would not negotiate? Has she shown any unwillingness to meet Indian demands? Why, on two occasions during the last 18 months, the United Kingdom has taken action to increase the effect of the preferences in regard to rice and one other commodity which finds its way into the United Kingdom market. This does not show on the United Kingdom side that there is any disinclination to negotiate with this country. What is the real reason? I will tell the House what the reason is. The Congress motion is a clenched fist, and the object is the face of Great Britain. Make no mistake about that attitude. Remember the history of this question. When the Ottawa Conference was originally called, the Federation of Indian Chambers boycotted it and refused to send any representations to the Government of India in regard to any negotiations which might take place in Ottawa.

Mr. B. Das (Orissa Division: Non-Muhammadan): They were not asked. That statement is wrong.

Mr. F. E. James: Then, my Honourable friends may remind themselves of the speeches which some of them delivered during the last election on this Ottawa question. The merits of the question were not discussed. It represented to them something in the realm of Imperialism which must be smashed at whatever cost to the country's trade. Then, we have the present boycott of the proposed Committee by the Congress Party. It has always been the principle followed by the Congress Party, that although they may not necessarily agree with a particular piece of legislation and reserve to themselves the freedom to fight it, yet when it comes to the committee stage, they would propose names to Government in case the Select Committee stage was carried. What have they done on this occasion? They have refused even to give names. They won't have any inquiry. They must straightaway denounce. Why? Because they dare not have an enquiry. They know that the result of the inquiry would be to prove that there is absolutely no justification for this termination. It is true that I have not had the advantage of hearing Mr. Jinnah yet, and, in a way, I am speaking without having heard the star speaker on the Congress side. But my Honourable friends on that side have so far advanced no arguments against an inquiry by a Committee. They have not even dealt with that problem at all; they have advanced no argument against the policy we have laid down, that we should seek revision and not denunciation; and I would appeal to the House not to commit itself to a summary rejection. That is what my Honourable friend Mr. Jinnah's motion means; that is what the Congress motion means, and I have a shrewd suspicion that Mr. Jinnah's motion will come before the House with Congress support. The only difference in the amendments is that the Congress are not even willing, after denunciation, to inquire into anything; whereas, Mr. Jinnah is much more reasonable. (Hear, hear.) My Honourable friend is perfectly prepared, after denunciation, to sit down and inquire. Whereas, my Honourable friends opposite want to sink the ship; Mr. Jinnah, while he also wants to sink the ship, wants to keep for himself the lifebuoy on which he will be found sitting in the middle of the ocean. (Laughter.) I would ask this House—is it wise, when there is such desperate competition in the world to secure what is left of international trade, to throw away the one great market in the world where Indian goods, instead of being restricted and cut down, are actually welcomed and encouraged? Sir, I suggest that, to do so would not be wise statesmanship, would not be good politics, would not even be clever tactics, but, on the contrary, would be incredible folly. (Loud Applause.)

Mr. S. Satyamurti: Mr. President, after hearing my Honourable friend from Madras, the Honourable the Commerce Member may well exclaim: "Save me from my friends!" Yesterday morning, he was all sweetness; he only wanted the help of a Committee to examine the whole question, and he therefore, invited us to co-operate with them. But here there is fire and thunder. My Honourable friend has made up his mind,—and he is a member of the proposed Committee! He says, those who talk about denunciation do not know what they are talking about, and if the Honourable the Leader of the Independent Party agrees with us, it is not because of intellectual conviction or of patriotic fervour, but mainly on account of a desire to steal other people's clothes! And he ended up by holding up a threat: "the United Kingdom will not give us these preferences"! Sir, I know his countrymen a little better, and I suggest that those gentlemen will do business with any body of persons for the sake of thrupence, and if there is anything to be got out of this country, the mere fact of denunciation won't prevent them from falling at my feet, in order to get this thrupence. Sir, to talk of Britain withdrawing any of these preferences

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after our denunciation of the Agreement is talking through his hat, although he does not wear it just now. Sir, my Honourable friend referred to the last elections. I am glad he did. Sir, to the extent to which the electorate gave any verdict on Ottawa, it gave a decisive verdict in the commerce constituency of Madras where the valiant Knight of Ottawa was sent to take his rest in Cochin by my Honourable and esteemed friend, Mr. Sami Vencatachelam Chetty. (Hear, hear.) Therefore it seems to me that to talk of public opinion being behind the Ottawa Pact is talking nonsense. Sir, my Honourable friend referred to the history of this Agreement. I am glad he did. In the Council of State, Sir, in 1932 it was stated:

"The question to be considered is not merely whether the United Kingdom and India should enter into a mutually preferential trade agreement. The question is whether, knowing as we do that the United Kingdom has already entered into preliminary tariff arrangements with the Colonies and Dominions, we can possibly afford to stand outside that circle, and allow our goods to be subjected to duties which in some cases will be very heavy duties in the great United Kingdom, and in the lesser, though still important markets of the non-self-governing Dominions and protectorates, where the goods of our competitors are admitted free of duty".

Sir, we have been told that public opinion boycotted the first Ottawa inquiry. Sir, you brought out one fact—I am not quoting your opinion now—I want just to bring out a fact which you mentioned. The Indian Delegation, when it went to Ottawa, did not take with it a list of the goods on which Indian commercial opinion wanted preference, as all the Dominion representatives did. The Government of India prepared a list over the head of Indian public opinion. I challenge them, Sir, to deny it. Every Dominion had over a dozen merchants or traders who prepared its list. When my friends went to Ottawa, the Government of India prepared the list for this country, and you, Sir, stated that on the floor of this House and Sir Joseph Bhore did not deny it. The Assembly Committee later went into the report of the Delegation, but you, Sir, pointed out in the minority report of the Assembly Committee that the Committee had no time to look into the Import Schedule. They said:

"We have examined the Export Schedule, but not the Import Schedule, which is the most important thing."

That is the work of my friends on that Committee; that is what they say, *viz.*, they had no time to examine it.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): We did examine it.

Mr. S. Satyamurti: But they admit that:

"They had no sufficient time to examine fully that part of the Agreement which deals with preferences on imports into India, yet this is at least as important a part of the Agreement as the preferences on our exports, and one which was causing a great uneasiness in commercial and industrial circles, as well as amongst the general public throughout the country."

I think, Sir, that was not denied in the House on that occasion,—and here my Honourable friend says, "we did examine it",—in his usual way!

Dr. Ziauddin Ahmad: On a point of personal explanation, Sir. If my friend will read the report on page 13, he will see that all these items are given.

Mr. S. Satyamurti: That is no explanation. No doubt, the items may be printed, but a man may read the items, but may yet never examine them. My Honourable friend's contention is no contention. The minority of the Assembly Committee recommended a certain action to be taken. The Government have done nothing. You recommended a re-examination of the Trade Agreement. For the last three years, what did they do? Here my friend comes and tells me, "England is prepared to negotiate, why not negotiate?" Every Tom, Dick and Harry has come forward and says: "His Majesty's Government wants to negotiate with us"! I want to know whether His Majesty's Government really wants to negotiate with us, as my friend, Mr. James, says they are. What arrogance on the part of any Honourable Member to steal other people clothes! Then, Sir, you raised another important point in your minute of dissent, with regard to the price levels of Indian produce. I want to put it to you, Sir, that whenever we talk about this Trade Agreement, tears gush forth from the Treasury Benches for the unfortunate primary producer. They are all anxious, with their capacious minds, to protect the primary producer from the cataclysmic fall in prices. What have they done to try and raise those prices? Sir, Sir George Schuster, now a *pariah* in the Treasury Benches of the Government of India, said at that Conference:

"We need, above everything else, a substantial and early rise in prices."

Have you done anything for that? And yet you sit over there, and shout: "Ottawa must be renewed"! Sir, the extremely low level of the prices of Indian commodities is as definite a proof as one can desire if the fact that such an Agreement as the Ottawa Trade Agreement cannot help, and has not in the least been able to help India, towards an economic recovery.

Then, my Honourable friend, Mr. Lloyd, told us, with an air of papal authority, that there has been no loss in customs revenue! I make the allegation that we have lost three crores in 1933-34, and four crores in 1934-35, in Customs Revenue. Will he undertake to place all the relevant figures before an Expert Committee? I will take its verdict. Will he do so, instead of airily talking here?

Mr. A. H. Lloyd: I undertake to place all the relevant statements before the Committee.

Mr. S. Satyamurti: I will accept their verdict.

An Honourable Member: He says he will place the relevant papers before the Committee proposed by the Honourable the Commerce Member.

Mr. S. Satyamurti: I am not referring to that Committee which has already made up its mind against denunciation of this Pact. I want the papers to be placed before an efficient and honest Committee of experts, which would go into the whole question fairly and squarely. Now, Sir, I do suggest that we have lost all that money.

In the minority report, which you, Sir, brought out in 1934, there was another fact. What is that fact? I am glad to see my Honourable friend, Sir Frank Noyce, sitting there. What is the effect on the small industries of the country by these 163 kinds of preferences? My Honourable friend, then humble Mr. Mody, now Sir Homi Mody, then anti-Ottawaite, now

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pro-Ottawaite, in a very brilliant speech, which I have read and re-read carefully, pointed out that there were many industries in this country which were likely to be affected by these preferences given to all these various articles. I will name only a few of them: soap, toilet requisites, woollen manufactures, toys, etc. I am sorry to see that my Honourable friend, the Finance Member, is not here. Every time any Honourable Member on this side talks of protection, his heart expands towards the poor consumers and he wants to destroy protection. I wish to give an effective answer to that. My suggestion is that the future of this country depends not merely on a few large industries, but on the development of a large number of small cottage industries. (Hear, hear.) It is only on the lines of the progress of these small cottage industries that we can bring more money to the agriculturist, and fight foreign competition on more equal terms, without giving constant preferences to my Honourable friend, Sir Homi Mody, and his friends.

Then, Sir, I want to know whether Government have examined the results of these preferences on the prices of articles, in the interests of the consumer. This kind of Imperial Preference is the ugliest feature of so-called protection. Either this Government is free trade, or protection, or discriminating protection, but discrimination in the case of this country has meant continual Imperial Preference, whatever the cost may be.

My Honourable friend, Mr. James, made great play of the word "termination". He is far too clever in not noticing it, but he was interested in not mentioning it, and I am interested in mentioning it. Neither my Honourable friend, Mr. Jinnah's motion nor the motion of my Honourable friend, Mr. Bhulabhai Desai, contemplates termination. Let me repeat for the '*nth*' time that their motion simply means *notice* of termination which has to follow. There are six months, Mr. President, between now and the actual termination of the Agreement. Why should not my Honourable friend, Mr. James, as the self-decked representative of His Majesty's Government, use the wireless, and tell the Prime Minister, Mr. Stanley Baldwin, in England: "I am your representative here. They talk of denunciation. Please authorise me to negotiate on behalf of His Majesty's Government"? If he gets such an authority, I will negotiate with him. Therefore, it seems to me to put before the House the bogey of denunciation of the Pact, and no renewal of the Pact is not honest. The alternative placed before the House by the two motions I just referred to now is this, denounce the Agreement, give notice of the denunciation, let Great Britain get into a negotiating mood, let us then sit down and get the commercial opinion in the country on our side, and then let us say, what we want, give what we can afford to give for the benefit that we can get from the United Kingdom. My Honourable friend, Mr. Jinnah has given notice of that exact amendment.

Now, Sir, my Honourable friend talked of an open mind. I want to ask him why are these experts here? Have they all got open minds? If, after all these inquiries, they have got an open mind, then God help those experts! I submit it is pulling our leg, putting up these experts against us, and at the same time saying, "we have an open mind". If these experts have open minds, then they should be doing their work in their respective offices. Why should they come and waste their time here? I suggest, Mr. President, that Government want to have the best of both

the worlds. To get votes, they say they have an open mind, but to confound us, they bring these experts. The charge laid by my Honourable friends, Mr. James and Mr. Gauba, that we shirk an enquiry is certainly not fair. We are not in favour of an enquiry, because we have had enquiries galore. We have got all the information we want. We have gone into the matter carefully and thoroughly, and we are convinced that denunciation of the Agreement, giving notice of the termination, and then starting, if the Government are so advised, fresh negotiations for further bilateral trade agreements with all countries of the world, including Great Britain, is in the interests of India. I say that such a position is perfectly consistent with the higher interests of India. What is wrong with that position? I should like to say here and now that we do not shirk any relevant and necessary enquiry. We refused to give names for the Select Committee not out of want of courtesy, but out of a mere feeling that there is nothing to enquire.

Sir Joseph Bhore in his speech, in this House, four years ago, in favour of this Agreement, said that the real test of the Agreement is the net increase of our trade. My Honourable friend, Dr. Matthai, who was also my tutor at the College many years ago . . . .

An Honourable Member: Was he also your tutor?

Mr. S. Satyamurti: And that is why I am talking sense. My Honourable friend, if he were talking in my position, would talk the same sense. I suggest that all this talk of diversion of trade being irrelevant is a thing which we cannot take seriously. India has got only one thing to count in this Agreement, and that is whether she gets any net increase in trade. My submission to the House is that India does not get net increase in her trade. We are paying heavily for these so-called benefits of the Ottawa Agreement. Sir, exports have increased from 136 crores in 1932-33 to 154 crores in 1934-35, imports have remained practically the same at 132 crores, but the balance of trade which in 1933-34 was 34 crores has now fallen to 22 crores and for seven months in this year it remained at 13 crores. Can anybody deny that this is a very serious state of affairs? Not very long ago, in 1913-14, our balance of trade was as high as 66 crores, but today it has fallen to a third of it, with the help of this Ottawa Agreement. It seems to me that the statement of my Honourable friend, Mr. Matthai, published in his Volume about the results of the working of the Ottawa Agreement is not correct:

> "If India has improved her relative position in the United Kingdom as disclosed by her percentage share in the total United Kingdom imports then, other things being equal, the preference must *prima facie* be deemed to be valuable. Whether India's other customers have taken relatively more from her than the United Kingdom is not quite relevant to the issue".

Perhaps not to a lawyer, but to a patriot, to a merchant that is the most relevant consideration. It is true that Great Britain's share of our import trade increased from 40 per cent. in 1932-33, to 46 per cent. in 1933-34, but fell to 44 per cent. in 1934-35. But, India gains no advantage from the preference to Great Britain; Great Britain, on the other hand, has gained great advantages, for the British imports would have been very badly affected but for these preferences.

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If the only consideration is India's trade, I suggest that the figures about the balance of trade which I have given are conclusive proof against this Agreement being beneficial to India. My Honourable friend, Sir Muhammad Zafrullah Khan, referred to India's export trade in preference articles to United Kingdom being 41 crores and imports only 17 crores. But, on this matter, I would invite his attention to the staggering figures given at page 344 of Dr. Matthai's report. He will notice that the exports, from India to the United Kingdom, of articles enjoying preference has gone up from 36 crores 48 lakhs to 36 crores 71 lakhs, that is 23 lakhs more, but to other countries it has fallen to the extent of 5½ crores and the net result is we have lost to that extent—taking other countries—and of the imports they have gained to the extent of nearly two crores. Therefore, taking the balance, it seems to me that we have lost on the whole. Keeping these figures in mind, my Honourable friend, the Commerce Member, gave up the major key of net advantage to export trade, but merely struck the minor key yesterday of negative advantages, such as insurance against positive loss, etc. And he mentioned various articles. I do not want to go into these detailed facts of exports to various countries, but it does seem to me, Sir, that, so far as the various articles are concerned, I will simply run through them very quickly and point out that in the case of wheat, this preference is not necessary. In the case of rice, there is a slight improvement, but a decrease of percentage share. In the case of oils, except linseed, preference useless. In the case of linseed, the matter has been thoroughly argued about the bad effects of drawbacks. In tea, there is no important change but the United Kingdom's share from India was much less than last year. In coir yarn, coir mats, and tanned hides there is no scope for the substitution of Indian for foreign produce. Raw cotton comes in a separate category altogether. The general position in 1934-35 was very much what it was in the preceding year. The percentage of share into Great Britain of export trade and import trade fell to ·6 and ·7, respectively. Taking the imports into the United Kingdom of articles enjoying preference, India's share continued to be the same while that of other countries increased, thus showing that India did not gain. The position in 1934-35 was worse than in the year 1933-34. Dr. Matthai said that, if there was reasonable success within the limits of the Agreement, there was no cause for the denunciation. I do not agree. I am not here as an advocate of the Agreement, I am here as an advocate of my country. Therefore, I want to judge whether the Agreement has on the whole worked for the benefit of the country. My friend deprecated statistics. We know there are white lies, black lies and statistical lies. My friend quoted Omar Khayyam the other day. I shall also quote him:

> "Myself in doubt did eagerly frequent,
> Mody and Matthai and heard great argument,
> Theories galore, and evermore,
> Came out by the same door, as in I went."

I suggest, Sir, that we must take this fact that preference on Indian goods has been given by Great Britain only to the extent of four to five per cent. of all her imports, whereas the preference we have given to British goods is 40 per cent. of our imports. I suggest, Sir, that the sacrifice is too great, and is wholly unequal. Dr. Matthai said that you

cannot isolate one influence and attribute results to it. What about Ottawa then? I, therefore, suggest that, if the object of preference is increase of trade, this Ottawa Pact has not benefited us. On the other hand, it has brought in its trail Imperial Preference again and again. And, although we recognise that the poverty of our millions is so great that we will support the addition of one pice to the average income of the Indian agriculturist, even if it means stomaching our political feelings towards England, still we feel that the working of this Agreement has shown that we get nothing out of it for the real producers of India. On the other hand, what has happened? Take the iron and steel agreement. I think that Agreement has really reduced Tatas to the production of raw products for helping British manufacturers,—Sir Hormusji Mody may be satisfied with it, but we are not. The Mody-Lees Pact is another concession to us! It has immortalised the author, but it does not benefit the country very much. In addition to all this, we had the Indo-British Agreement last year, supplement to the Ottawa Agreement, which you entered into in spite of the vote of this House. We are often told of bias. I will answer that. The only bias that we have is against giving preference to British interests over Indian interests. We plead all of us guilty to that bias, and I suggest that the proviso to Article 14 of this Agreement which gave power to Government to negotiate for changes in the preference, wherever they are found to be necessary, has never been acted upon. I charge this Government with an absolutely cavalierly attitude towards the Agreement. Once it was signed, they forgot all about it, and they merely bring it up now because the Assembly said that three years later they must come to this House.

My Honourable friend, Mr. Gauba, said very theatrically yesterday that if Government will undertake that they would abide by the verdict of this House, we should vote for his committee. I say even this Government dare not go against that position. They said three years before that they would abide by the verdict of this House. Therefore, I suggest that there is no need for any fresh promise to be given by Government on this matter. Therefore, examining the Agreement from the relevant point of view, that is, the only relevant point of view whether we have benefited by this Agreement in any real sense, I have no hesitation in coming to the conclusion, and I beg of the House not to have any hesitation in coming to the conclusion, that the Agreement, although it has increased the export trade to the United Kingdom, has, on the whole, resulted in a net loss to that export trade, in regard to other countries, against us,—especially Germany, Italy and France. There is no use in Government's blinking facts. They circulated to us notes in which they gave a history or a resume of the various restrictions imposed against Indian imports into their countries, and there they come to the column of "reasons".—to redress balance of trade, which simply means, to redress Ottawa. Therefore, there is no use saying that the other countries are not retaliating against us. We believe they are, but, at the same time, we feel that even if Ottawa had not been concluded, Great Britain dare not have retaliated against India alone. After all we owe her 50 crores a year and if she shuts out all our imports she will have to suck her thumb in order to get that money. She knows it perfectly well; and, moreover, there are many articles which England requires and which we alone can supply. England has every motive not to impose import duties against Indian products. Government might well have waited to give them an ultimatum; instead of that they

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readily succumbed and the result is the Ottawa Agreement. Having entered into that Agreement, they have not carried out any serious investigation into the matter. They give us books which run through many pages which really give us dry-as-dust figures, and give us no conclusions whatever. They come now and say, "Now appoint a Committee, go into the whole matter and then we shall decide what to do". Therefore, from the point of view of India, Indian producers, Indian consumers, Indian taxpayers, Indian merchants and Indian Chambers of Commerce, we on this side of the House, and I hope all non-official sections of the House excepting the Europeans, are unanimously of opinion that this Agreement has not worked for the industrial or commercial benefit of India. We, therefore, want that this Government should give immediate notice to the United Kingdom of the termination of the Agreement. There are six months; let us sit down and if the United Kingdom sends any delegation here to negotiate with us, we are perfectly willing to place our cards on the table and enter into a fair bargain in consultation with the relevant commercial and industrial opinion of the country. We do not want any longer to send our men to far-off Canada where in mists and sunshine they burst into poetry and sold their country. We want the Britishers to come to this country and to sit down with our own men, hard-headed business men, who will be able to give facts and figures to negotiate with them. What do they do in their own country? The Board of Trade dare not negotiate any agreement without consulting the Chambers of Commerce. Why do you not do it in this country? I suggest that the only honourable way of dealing with this question is for the Government to accept our decision, give notice of denouncing the Agreement and start, if they like, with fresh negotiations for agreements, not only with the United Kingdom but with all countries with whom we have trade relations.

I conclude, Sir, as I began. There is no political bias or motive in this matter. We are anxious to do the best for our country, as anxious as my friend, if not more. I, therefore, suggest that we have examined this matter most carefully, anxiously, and prayerfully, we are convinced that the Agreement has not benefited the producers, the consumers, the taxpayers, or the merchants of this country. We feel that India's trade relation is such that, if she ties herself up to the United Kingdom, she renders herself weak, almost perilous with regard to other countries. We are deeply interested in this matter; it is because we feel that this Agreement is a clog on the wheels of Indian industry and Indian commerce and Indian progress that we want notice to be given of denunciation and fresh negotiations started, if and when the Government feel that they ought to do that. Therefore, Sir, I ask the House, to support the amendment which seeks to give notice of denunciation.

I am sorry that my friend, Dr. Matthai, who made an excellent speech, trespassed on the ground of goodwill. It is not a matter for economic experts, and the less we hear about goodwill here, the better. We do not want to get angry, we do not want to retaliate, but our patience has been sorely tried. Please do not talk of "goodwill", we are trying our best to suppress our emotions and to do business. Deal with us as businessmen, deal with businessmen. To talk of goodwill serves no purpose. Therefore, I do hope that the Independent Party, the Congress Nationalist Party and the Congress Party will, as one man, walk into one lobby against the motion of the Government; and, as regards other Members, who understand the interests of Indian trade and Indian trade alone, and who are not willing to be middlemen and brokers and foreign traders, but want to build up Indian trade on self-reliant lines, who do not want to seek crumbs out of the European dining table, but want to spread rich leaves before Indian workers, capitalists, and Indian commercial men—I invite them all to join with us in the lobby, and tell this Government and, through them, Great Britain: "Enough of this Imperial Preference, let us now do hereafter honest, independent, patriotic business". (Loud Applause.)

Mr. President (The Honourable Sir Abdur Rahim): Today being Friday, the House is adjourned till a Quarter Past Two.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Dr. F. X. DeSouza (Nominated Non-Official): Sir, I am thankful to you that I have caught your eye in this debate, because, when this Ottawa scheme of preferences came up for discussion for the first time in this Assembly in 1932, I strongly supported the scheme by vote and by speech, firmly believing that it was in the interests of India. I served on both the Committees appointed by this Honourable House to inquire and report upon the working of the scheme, and for three years I have had experience as coffee planter, as grower of rice and as grower of cocoanut, of the working of that scheme. I have arrived at certain conclusions which I should like to place in all humility before the House for their consideration.

In the supplementary minute which I appended to the majority report of the Committee, which sat in 1934, I made the following observations:

"The Ottawa Pact is having a disastrous effect on agriculture in South India. The cocoanut industry of Malabar is threatened with ruin and the entire countryside is demoralised by the crash in prices of its staple products, rice, coffee, cocoanut and pepper. What prevents the Government of India from denouncing the preference to Ceylon or placing an embargo on the importation of bounty-fed rice from Siam and Indo-China? Is it because the industrialist has obtained such an overmastering influence in the councils that the interests of agriculture have been sacrified? Or was Lord Curzon a true prophet when he opposed Imperial Preference for India on the ground that in negotiations for implementing it India would not be given fiscal freedom? Either possibility is fraught with danger to the political and economic future of India."

Sir, these forebodings were uttered, not as my Honourable friend, the Finance Member, would say, sitting on the tripod of Cassandra, but after a careful study of the evidence placed before us, at my desk, and also, alas, after a study of my steadily dwindling balance in the bank. The fall in prices which I have noticed in my note is not due merely to the depression, but it is due to a fall in overseas demand for which I consider

[Dr. F. X. DeSouza.]

that the Ottawa scheme of preference is partially responsible. The main question this House has to decide is whether the total volume of our export trade has increased. If that is so, certainly the scheme is beneficial to this country. If that is not so, the scheme is certainly not beneficial. Taking the figures of 1931-32 as the basic figures, we find that in 1933-34 we gained 3.18 lakhs of trade with the United Kingdom, but lost 14.77 lakhs in non-Empire countries. (These are your figures, Dr. Matthai: you cannot challenge them.) In 1934-35, we gained 3.41 lakhs with the United Kingdom, but lost 18.93 lakhs in foreign countries. Obviously, Sir, we are not in a position to compel foreign countries to buy our goods. But we can and we ought to make an effort to compel the United Kingdom's market to take more from us than she has been taking. Unfortunately, there are some almost insurmountable difficulties in making the United Kingdom take off from India more than she has been doing. A careful study of the figures will show that whenever there is competition between agricultural produce from the Dominions and Colonies and South American Republics developed by British capital on the one hand, and the agricultural produce of this country, India, on the other, you will find that a preference granted to this country is merely a paper preference. The United Kingdom market invariably prefers to buy from the Dominions and Colonies and from the South American Republics which are developed by British capital, for reasons, to which I shall advert presently. What are those reasons? I have been able to discern four tendencies in the United Kingdom market which I shall in all humility place before this House.

In the first place, the United Kingdom has to support a vast export trade with the South American Republics, with the Colonies and with the Dominions, and it is necessary to balance that trade by buying extensively from those countries: whereas, with regard to India, the United Kingdom has a sheltered market, sheltered by the preferences which have been imposed upon us by the scheme of preferences. That is the first consideration.

The next reason is that with regard to the articles from the South American Republics the preferences have been fixed regardless of the differences in their currencies in the exchange parity with gold. Thus, you will find that with regard to Argentine, the Argentine Republic has an advantage of 13½ per cent. in exchange, in spite of the ten per cent. preference in favour of India. What chance has India against the Argentine Republic in spite of the so-called preference?

The third reason is this. Australia, Canada and New Zealand, who are all parties to this Pact, have deliberately depreciated their currency, with the result that the Australian pound and the New Zealand pound also, I think, is about fifteen shillings, whereas the moment we mention that our currency should be depreciated, at once we are told, you will be monkeying with the ratio, and that can never be done. Then, Sir, we come to the fourth reason. The fourth reason is, that there are very powerful capitalist interests, which I shall discuss presently, arrayed against us in the United Kingdom market, who have access to the Board of Trade and they do their level best to push us out of the field in the United Kingdom's market. Those, Sir, I humbly submit, are the four reasons why we can never have a fair field in the English market. In

these circumstances, can you honestly say that it is a preference given to us? Is it a mutual preference? I know that when the Honourable the late Commerce Member, with his silver tongue, advocated the introduction of the Ottawa preferences in 1932, he boasted of the United Kingdom's market being the only open market—subject only to the revenue and the Mckinley duties, while all the other markets of the world were closed to us by tariffs, by subsidies and by exchange restrictions. I admit, Sir, it is open,—to whom? It is open only to the allies of British capital, and not to the humble Indian producer. Sir, within the short time that is at my disposal, I am unable to prove what I have said by statistics, but I am quite prepared to prove it outside to anybody who doubts my statements; here I wish to refer to four commodities as clear indications of the truth of my observations.

Tobacco. In the year 1934, the United Kingdom increased her total imports of tobacco by 28 million pounds. She took all her excess from Rhodesia, from Nyassaland and from the United States of America, while she took three million pounds less from India. That is what we have got by way of preference.

Pepper. The imports of pepper in the year 1934 increased by 2,25,000 cwts., but while excess was taken from British Malaya, Dutch East Indies and other British countries, India showed a loss of 700,000 cwts. That is what we have got by way of preference given to us.

Take, again, linseed. Linseed, Sir, I remember the late Commerce Member introduced to us as being a most important item there being no other competitor in the Empire, and it was stated that there was a market worth about 2½ crores in the United Kingdom. It is true, that owing to the shortage of crop in the next year, we certainly were able to send out a large quantity of linseed, but what happened the next year? In 1934-35 India could not face the competition with Argentine; the United Kingdom taking 65,000 tons less from India but ten thousand tons more from Argentine, and in the nine months ended 1935—I am very thankful to the Honourable the Commerce Member for so kindly supplying us with the latest figures, relating to Indian exports to the United Kingdom,—in 1935 our exports were 36,000 tons as compared with 110,000 tons in the previous nine months, while Argentine exports were 136,000 tons as compared with 42,000 tons. With regard to linseed, Sir, I have a great deal to say, but the time at my disposal is short. However, I should like to draw the attention of the House to the insidious attempts made by what I call the powerful capitalist interests in England, by powerful magnates in order to belittle and nullify the effect of the preference. What did they do? They first introduced the system of drawbacks of £3 on duty of £3-10-0 on oil and drawback of 18 shillings on £1 on linseed which was increased after Ottawa, with the object, obviously, of nullifying or minimising the preference to India. Only last September, when a Bill was introduced in the House of Commons for raising the duty on linseed oil from 70 sh. to 100 sh. Major Hill, Member of the British Parliament, who is one of the Argentine magnates in the British Legislature, stated bluntly—'As the preference was not appreciated in India, the Argentine should have the preference and her goods should enter duty free'. No wonder he said preference was not appreciated in India. At this rate, no preference will ever be appreciated in India, when virtually all the preference will in practice be given to Canada, Australia and Argentine.

[Dr. F. X. DeSouza.]

Sir, now I have to come to a painful subject which touches me very painfully, and that is coffee. With regard to coffee, India's total exports to the United Kingdom in 1932-33 was 52,000 cwt., in 1933-34, it was 50,000 cwt., and in 1934-35 it was 36,000 cwt., while nine months ending September, 1934, it was 49,000 cwt., and nine months ending 1935 it was 29,000 cwt.

Mr. F. E. James: There has been increased consumption in the country.

Dr. F. X. DeSouza. Sir, my friend, Mr. James, reminds me that in spite of the reduction in the imports, the consumption figures show that there is an increase in the consumption. The domestic consumption in 1932 was 1,269 tons, while in 1934 it was 1,503 tons. All the comment that I need make about this is, that while it shows the good taste of the British housewife, it certainly does not show any goodwill on the part of the British merchant. What has the British merchant done? Sir, the British merchant is rendering a distinct disservice to the coffee grower in India. I never make a statement unless I can substantiate it. Only two months ago, I received copies of two pamphlets written by a broker interested in coffee . . . . . .

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member has only two minutes more.

Dr. F. X. DeSouza: . . . . . under the aegis of the respective Governments. This merchant tried to belittle the quantity of the Indian coffee as compared with Costerica and Kenya coffee. This was mere propaganda. Here turning to my friends of the European Group on my right, may I remind them that the produce of the European planters in India is included in this denunciation. We all come in the same category, and so it is up to them to ask in this case for safeguards against their own countrymen, for fairplay in the United Kingdom's markets and join us in this campaign.

Mr. F. E. James: Have we not joined you in asking for increased preferences? I think we have done everything that we possibly could for Indian coffee.

Dr. F. X. DeSouza: I do not deny that for a moment, but if the High Commissioner for India and if the Indian Trade Commissioner had taken as much interest in Indian coffee as the High Commissioners in their respective countries have done, then certainly we should not have been in such a mess as we are in today. With regard to Kenya, the British East African imports into the United Kingdom markets rose by leaps and bounds from 178,000 cwts. in 1929-30 to 324,000 cwts. in 1930 and 280,000 cwts. in 1933. Meanwhile, while the British market is being gradually closed against us, we are losing the market in Germany, Netherlands, Belgium, Italy all registering a decline—Germany by 10,300 cwts., Netherlands by 7,000 cwts. and Belgium by 3,800 cwts.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member's time is up.

Dr. F. X. DeSouza: I shall finish in a minute. When the late Commerce Member made his speech, we were invited by him to go to London and capture the market of 4½ crores. We are finding now that we are losing a few lakhs that we had, and if things are not improved, I assure this House that no planter, whether English or Indian, will be able to keep up his plantation going; he will have to abandon it for good, writing Ottawa at the gate. Same is the fate of those unfortunate members of my community on the West Coast of Malabar. They have invested all their life savings in coffee, and they find that they are now reduced to a state of pitiable misery which is impossible to describe, and it is on their behalf that I am speaking today. Although, forsooth, I am a Nominated Member, and as much I owe a divided loyalty,—loyalty to the Government which has nominated me and loyalty to the community whom I represent in this House by the terms of my appointment, when the interests of my community or the interests of my constituency are in conflict with the views of the Government, it is my right and it is my duty to vote for the interests of my community. (Hear, hear). I have got a great deal more to say, I do not know if you will stop me. If so, I will sit down.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member must conclude his speech.

Dr. F. X. DeSouza: I will cut it short. I will take one minute more. The next thing I should like to mention is the position of India in the foreign markets in consequence of this Ottawa Agreement. I have already said that the gates of the United Kingdom market are unwillingly opened to us as if we were the Cinderella of the Empire. But in a foreign market what do we find? We stand there fettered, by fetters imposed upon us by the Ottawa preferences. I do not for a moment say that foreign countries are retaliating against us. Retaliation is an action of anger and no great country will retaliate in anger for long. But in this case, it is a question of a policy of equalising trade by compensation agreement, and what is the result of such a policy? I will just read one sentence from the report made by Mr. S. N. Gupta, His Majesty's Trade Commissioner in Hamburg, as to the result of this policy in Germany. He said:

"Germany is now obtaining large quantities of raw materials which she formerly bought from India, from countries with whom she has clearing agreements. She is getting cotton from Brazil, Peru, Egypt, Turkey, etc., hides and skins from many of the European countries, but chiefly from the Argentine, Brazil, South Africa, Turkey, Spain, Dutch and French India, Mexico, etc., oilseeds from European countries, Argentine and the French Colonies, and so on. We have it on the good authority of such a high authority as Dr. Schacht that the present abnormal conditions in Germany are likely to continue for a decade. This view is not held by him alone; it finds an echo in other countries. If, then, (*writes Mr. Gupta*) Germany continues for ten years to purchase from other countries raw material which she had in the past bought from India, she will become accustomed to these new sources of supply. When normal conditions eventually reappear in Germany it is extremely problematical whether she will return to her old customers and purchase from them to the same extent as she did in the past. This is a very serious danger and one which must receive due consideration."

Mr. Deputy President (Mr. Akhil Chandra Datta): The Chair hopes the Honourable Member will now conclude.

Dr. F. X. DeSouza: One word, Sir. You will remember—if the Honourable the President was in the Chair, but you could convey my message to him—if the Honourable the President was in the Chair, I should have reminded him . . . . .

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable the President is not in the Chair.

Dr. F. X. DeSouza: You will then convey the message to him.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Chair does not think it can allow the Honourable Member time to talk such things. The Honourable Member should finish within one minute.

Dr. F. X. DeSouza: I will certainly obey your orders. With uncanny prescience, in the stern and unbending opposition with which he offered to the Ottawa scheme—he prophesied the result of the Ottawa scheme almost in the words of the Hamburg Trade Commissioner. I have got a great deal more to say. I have not been able to indicate what attitude I am going to adopt or I can adopt, but I shall obey your decision and I shall take some other opportunity to continue my speech.

Sir Bryce Burt (Government of India: Nominated Official): The last speaker has given us an excellent reason why a Committee should be appointed as proposed in the motion before the House. He has referred to two or three commodities which are definitely difficult and which require very careful examination. The first of these is coffee. Now, Sir, in regard to many commodities, the export and import returns are a very fair guide to trade, but that involves a certain assumption, *viz.*, that when the article is exported it is sold. Now, in the case of coffee, whether exported from India or whether exported from Kenya, this is not always the case. A large proportion of the coffee which goes to London, and of that which goes to the other large markets of Europe, is sent on consignment for subsequent sale. Secondly, we have in coffee one of those commodities where there is a duty on the Empire product—there is Empire preference but still a duty—and with very large unsold stocks in bond, it is obvious that even the United Kingdom import figures are not a safe guide to the volume of trade. What is of importance is the actual figure for the clearances from bond for home consumption. Those figures are published for coffee, and were mentioned by Dr. DeSouza but his comparison was rather spoilt by the fact that he stated the imports in cwts. and to consumption in tons. But if we compare the clearances from bond for Indian coffee and coffee of all kinds and Costa Rica coffee for a series of years, we find that actually India has improved her position in the United Kingdom market. These are the figures: In 1932 the total clearances from bond of all kinds of coffee were 20,315 tons, Indian coffee, 1,269, Costa Rica, 8,226. In 1933, the clearances were total 19,203, of Indian 1,334 and of Costa Rica, 7,727. That is to say, there was a small rise in the clearances of Indian coffee, a fall in the clearances of Costa Rica coffee, and a fall in the total. Coming again to 1934, the total figure is down to 18,451, the Indian figure has gone up to 1,509, Costa Rica as compared with 1932 has gone down, to 7,866. If we take the percentages, the percentage of Indian coffee went up from 6·2 in 1932 to 8·2 in 1934, whilst the figure for the first half of 1935 is 9. Comparative figures for Costa Rica coffee are 40, 40, 43 and 37. Now, I do not contend that the coffee preference has worked as we expected, but I do say, it has been of some value and there is a very definite pointer as to what we ought to do about it. Other Empire producers, in particular Kenya, which is one of our biggest competitors, are equally conscious of the fact that the coffee preference has not worked as well as it ought to have done. As Mr. James told us this morning there is a representation now before His Majesty's Government, from all the coffee producers of the Empire, representing that the coffee preference ought to be increased.

I should now like to turn to tobacco. This again is one of those commodities in regard to which neither import nor export statistics by themselves provide a complete test. Here, the reason is that leaf tobacco is invariably stored in bond for maturing purposes for a minimum of two years. Whether it is to be made into cigarettes or pipe tobacco, that is the invariable custom and you will find in any commercial return of tobacco stocks in London warehouses that they run up to four years supply of certain kinds. What we are concerned, therefore, with are the clearances of Indian tobacco from bond. We also have to remember that this is not a new preference. It is a preference which is much older than Ottawa and which has been continued by virtue of the Ottawa Agreement for a period of ten years to all parts of the Empire. The total clearances of Empire tobacco from bond have been as follows: in millions of pounds for 1931, 37, for 1932, 33, for 1933, 41 and for 1934 the same figure. The clearances of Indian tobacco has been 9·1, 9·4, 9·5 and 9·6, all in millions of pounds. But for a slight increase, clearances have been practically stationary. As I have already said this is an old preference the special value of which is that we retain a valuable trade. Now, there is one important point which we have to take into consideration and that is quality. The Imperial Economic Committee in 1932 classified tobacco somewhat as follows: Total clearances from bond of the United Kingdom of all tobaccos 150 million pounds, Empire tobacco (all kinds) 37 million, Empire pipe tobacco 32 million and Empire cigarette tobacco 5 million and Indian tobacco 9 million pounds as I have already said. Now, we are supplying practically nothing but pipe tobacco at present and until we increase our cigarette tobacco production greatly, it is not likely that we shall increase our exports of tobacco to the United Kingdom but it is of very material importance to us to retain this very valuable preference on nine million pounds annually, because the preference is 2*s.* ½*d.* per pound.

I now come to a more general point. The Honourable the Leader of the Opposition said that if a business man wished to improve on an agreement, I hope I am quoting him correctly, he would first give notice of termination in order that there might be an impetus to practical negotiations. I trust that I have summarised his point correctly. I would suggest that there is an earlier stage to be gone through before we can think of giving notice of the termination of an agreement. First of all we have to decide what variations we want to secure. Any prudent businessman would do that. Now, there is nothing in the report which was commended to the House by the Opposition which gives us the

[Sir Bryce Burt.]

slightest lead as to what variations are required in the Agreement. Mr. James made some suggestions this morning. Dr. DeSouza has suggested that we might denounce the preference on *copra*. Mr. James wanted a larger preference on coffee and he also suggested that we want one or two new preferences. That is precisely the kind of thing which I submit ought to be discussed, in a committee of the House, because there are a variety of factors which have to be taken into consideration. I do submit that the Federation Committee's report, careful as it is, is nothing like a safe guide to this most important matter. I would emphasize the importance of the issue. I can find no warrant for the light assumption that whether we have an agreement with the United Kingdom or not, we shall continue to enjoy this privilege of free entry. I cannot conceive how the United Kingdom, in agreement with half a dozen countries of the Empire, could possibly say to one of them 'Never mind about the preference which you ought to be giving us and don't. We will continue to give you the preferences which you used to enjoy in our market'. What would the other Dominions say? I do suggest that we ought to examine this document, the report of the Committee of the Federation of Indian Chambers, most carefully. One of the general conclusions, and it would be important if correct, is to be found on page 73, when the general statement is made:

"India's export trade in agricultural produce with the United Kingdom does not show any substantial advance owing to the fact that the British dominions securing similar preferences obtained a better and stronger footing in the United Kingdom market."

Now, Sir, I will not limit myself strictly to agricultural produce but I will take the first dozen of the export commodities on which we have a preference in order of magnitude. I shall also refer to cotton as it is included in the Agreement. These are the large items of our preferential exports to the U. K. Tea 18 crores and tanned hides and skins 4,85 lakhs of rupees, cotton 3,42 lakhs, groundnuts 1,70 lakhs, linseed 1,28 lakhs, jute manufactures 1,60 lakhs, rice 50 lakhs, oil cake 1,05 lakhs and there are also lead, woollen carpets, teak, tobacco and coffee. Now, if we examine these commodities I think you will find that in practically every case the statement that other Empire countries have been able to benefit more greatly than we have is incorrect. In tea, we have no Dominion competitors. The only Empire competitor of importance is Ceylon and Ceylon has not increased her imports into the United Kingdom any more than we have. Like Ceylon, we have enjoyed the price benefit of two pence per lb. as a result of the preferential duty. Without that preference, our tea would have to sell two pence lower in level competition with Java and China.

Take tanned hides and skins. This is an extremely valuable preference because it is a preference on a semi-manufactured article. The whole world takes our raw hides and skins but the United Kingdom is our only big customer for the semi-manufactured article. In the report on the Ottawa scheme of preferences issued by the Committee of the Federation, there is an imperfect table on page 31 which is unintentionally misleading, because it is incomplete. Now, Sir, let us examine the quantities. The imports into the United Kingdom of tanned hides and skins from India in 1932, were, 305,000 cwts., and, for the succeeding years, they were 347,363 and 372 thousands of cwts. There is a steady rise in a very valuable trade, where we have no Empire competitor. Now, Sir, I come to cotton, and the Honourable the Leader of the Opposition suggested that it was not right to mention cotton because the special clause in the Agreement which deals with cotton does not give us a tariff preference. In fact he said that this clause was no agreement at all. Now, Sir, from an ordinary business point of view, I would suggest that the value of an agreement is what flows from it and that this clause has been of very great value to us. It has meant an increase in our trade of nearly a couple of crores of rupees a year. The Honourable the Commerce Member yesterday gave us the figures for the imports of Indian cotton into the United Kingdom and I will not repeat those figures, but I would like to bring out the comparison with other Empire countries. In the calendar year 1932, the United Kingdom imported from India 133,000 bales of cotton; in 1933, 273,000; in 1934, 382,000; in 1935, 414,000—a rise during the period of the Agreement from 133,000 bales to 414,000 bales! I may say, Sir, that I have been watching the cotton trade of India with the United Kingdom for a matter now of something like fifteen years, and there is no record throughout that period of anything like such large shipments of cotton to the United Kingdom as we have seen in 1934 and 1935. Though some years ago we approached the 1933 level. Now, Sir, let us compare the imports from the rest of the Empire, as shown in the United Kingdom trade statistics. The figures are: 1932—202 thousands of bales; 1933—218; 1934—218; 1935—232 thousand—practically stationary.

Prof. N. G. Ranga: What about their production?

Sir Bryce Burt: I will give all the figures required for production in the Committee. It is quite clear that our share of the United Kingdom trade in cotton has gone steadily up while that of the rest of the Empire has remained practically stationary. That again disproves the general conclusion which is raised in the Federation's report, to which so much importance has been attached—and naturally considering its origin. Now, I come back to linseed. A good deal has been said about that commodity and this is an extremely important preference. Everybody admits that in the first two preferential years there was a big increase in our linseed trade with the United Kingdom. But an attempt has been made to belittle that preference by saying that you can explain it in a different way, that the real reason was the shortage of the Argentine crop. If we compare our imports into the United Kingdom in 1932, a year in which the Argentine had a bumper crop to ship with those of 1935, when the Argentine has again been shipping a bumper crop, it will be found that we still derive a very steady advantage from the preference and that it cannot be explained away by changes in the Argentine crop. Now my Honourable friend, Dr. DeSouza, referred to the fact that the Argentine had an exchange advantage of 13½ per cent. over India and that that discounted our preference. Sir, I do not for a moment admit the validity of comparing a tariff preference with an exchange advantage of that kind. In any case, the fact of the matter is that it is India, and not the Argentine, which enjoys a price advantage in the United Kingdom.

[Sir Bryce Burt.]

Here are the average prices in London of Indian linseed and Argentine linseed for the three relevant years:

	Indian (Bombay).	Argentine.
	£ s. d.	£ s. d.
1933	11 7 6	9 15 0
1934	11 17 6	10 2 0
1935	11 18 0	9 8 0

And those are years in which we supplied large quantities of linseed to the United Kingdom market. Sir, there is no possible doubt that the advantage to us has been very great indeed both in regard to the volume of our trade and in regard to the prices which we have realised. Reference has also been made to the linseed drawback, and there I think there is some misunderstanding. It must be remembered that the linseed preference is of special value to us because the United Kingdom is such a large purchaser for their own consumption. We do not, as a matter of fact, send to the United Kingdom anything like enough linseed for domestic use in that country. Therefore, the suggestion that this drawback is discounting the value of our preference appears to me to have a theoretical rather than a practical basis.

3 P.M.

Now, Sir, to turn to another important commodity, jute manufactures. India's exports to the United Kingdom of raw jute amount to about Rs. 2½ crores every year. Our exports of jute manufactures amount to about Rs. 1,60 lakhs. The duty on jute manufactures of foreign production in the United Kingdom is 20 per cent. Our jute manufactures go in free, and they, therefore, compete directly with the home production of the United Kingdom. The position, therefore, is that we have no Empire competitor, and have supplied practically the whole of the United Kingdom's imports of jute goods since the scheme of preferences came into operation.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member has got two minutes more.

Sir Bryce Burt: Before the preferences began, foreign countries supplied 14 million yards. Sir, I do not wish to detain the House any further on these points of detail. I would submit, Sir, that we have not before us the information on which we could proceed to give notice of termination of this Agreement. We have plenty of information which justifies a reference to a committee. My conclusion is that several of the preferences—and they account for 70 per cent. of our trade in these preferential articles—have been of very real benefit to India. The loss of these preferences would be a serious blow to Indian export trade whilst the loss of the privilege of free entry into the United Kingdom, which would place Indian produce on the same level as foreign produce and at a disadvantage with other parts of the Empire, would be a great disaster. Some of the preferences have not yet been fully developed; their immediate value is small, but their potential future value is considerable; these

merit a detailed examination. In regard to some commodities it is now clear that neither India nor other Empire producers have been able to capture the United Kingdom market to the extent which they expected and the question of negotiating enhanced preferences will arise. Finally, suggestions have today been made for new preferences. Sir, we have five excellent reasons why this matter should come before a Committee of the House. (Loud Applause.)

Mr. B. Das: Sir, I should have expected that the debate on this Ottawa Agreement question would have taken place in a free and fresh atmosphere, but, somehow or other, old stagers like my friend, Seth Haji Abdoola Haroon, and my old friend, Dr. John Matthai, who has inherited the *masnad* of Dr. Meek, cannot forget the Ottawa spirit and the Ottawa atmosphere. When my Honourable friend, Dr. Matthai, pleaded and pleaded with a very plaintive tone that we must go back and create the Ottawa atmosphere on the floor of this House, how can you create that atmosphere, I ask, when everyone of those who were misguided to sell the birth-right of this country has vanished from this side of the House with the exception, perhaps, of my Honourable friend, Seth Haji Abdoola Haroon,—to whom, although he has not yet been knighted, I hope Government will give the consolation prize of being a Knight when the next Birthday or any other honours list will be published. (Hear, hear.) My Honourable friend, Seth Haji Abdoola Haroon, was at one time a member of the Executive Committee of the Federation of Indian Chambers of Commerce, but he doubted the *bona fides* of the Federation of Indian Merchants' Chambers when my leader, Mr. Bhulabhai Desai, referred yesterday to the conclusions reached by that body. I am sorry, my Honourable friend is not here, but I should like to know that last year, being a member of the Committee of Indian Federation, which Chamber did he represent in his views? Even my Honourable friend, Dr. Matthai, pleaded that he is a statistician and he knows nothing about politics, but all the time he was talking in terms of "ifs" and "buts", and there were no statistics in his speech, rather there was an indirect attack on the memorandum which the Federation of Indian Chambers of Commerce has produced. My Honourable friend, Mr. James, from Madras, had also the temerity, and, with his usual bravado, challenged the Federation about the utility of bilateral agreements and quoted Sir Gavin Jones of the Upper Indian Chamber of Commerce. I would have liked him to quote, if at all, the Associated Chamber of Commerce and their views on the Ottawa Agreement. I do hope, when my Honourable friend, Mr. Buss, rises to speak, he will say what the Associated Chamber of Commerce thinks about this Agreement, and whether the European vested interests in India want the continuance of this Agreement. May I ask one question? Why is it that the Government are so anxious that the Ottawa Agreement should continue? Why is it that important European friends and European Chambers of Commerce, barring the one solitary Chamber of Commerce, the Upper India Chamber of Commerce, have so far remained silent?

Mr. F. E. James: May I correct my Honourable friend. They have not kept silent. They have gone on record, in private and in public, that they are in favour of the continuance of the Agreement subject to modifications.

Mr. B. Das: Continuance in the interests of the British and their trade generally, of course! I will reply to my Honourable friend soon. My Honourable friend, Mr. James, and even my Honourable friend, Seth Haji Abdoola Haroon, thought that the Federation of the Indian Chambers of Commerce non-co-operated with the Ottawa Delegation in 1932. I may state for the information of this House that the Federation addressed letters to the Government of India of that time—I do not blame my Honourable friend, Sir Muhammad Zafrullah Khan, he was not then in office but the Government of India never sent any reply to these letters. When the Delegation was sent by the Government, the Federation wrote to the Government asking them as to why they did not consult the Federation about the personnel and whether the Federation would be allowed to send Advisers to the Delegation. The Government of India wrote to say that the Federation, if they liked, could send Advisers to Ottawa, but that Government would not give them any such status. Yet the British Chambers of Commerce from United Kingdom sent Advisers to their own Delegation. The British Chambers of Commerce sent from England a commercial delegation and it was in close consultation with the Premier, Mr. Baldwin, and others that visited on behalf of the British Government. Yet, on the floor of this House, my Honourable friend had the temerity to utter those statements which are not based on truth that the Federation of Indian Chambers of Commerce non-co-operated with the Delegation. The Government forced us to non-co-operate. Not only as a Member of this House, but as a signatory to this note, which has been prepared by the Executive Committee of the Federation of Indian Chambers of Commerce, I will confine my remarks to the justification of this note that has been prepared by cool and hard-headed Indian businessmen. There is no Congress politics, there is no non-co-operation politics which my Honourable friend tried to establish on the floor of this House this morning. My leader, Mr. Bhulabhai Desai, has already quoted some of the extracts from the conclusions of the Federation which my Honourable friend, Sir Bryce Burt, just now tried to refute regarding their comments about the export trade of agricultural produce. Figures are figures, and, in the words of my Honourable friend, Dr. John Matthai, figures can be mal-interpreted. Therefore, I do not pay any attention to what my Honourable friend, Sir Bryce Burt, mentioned just now. But I would quote the summary of the main recommendations which have not been quoted till now from the memorandum of the Federation of Indian Chambers of Commerce:

> "The Committee are not averse to any trade pact between India and any of her customers; on the other hand they would welcome such pacts on purely reciprocal basis. They, therefore, suggest that the Government of India should forthwith terminate the present trade treaty and should open up fresh negotiations, not only with the United Kingdom, but with all other foreign countries for trade treaties, in consultation with representatives of commerce, agriculture and industry in India."

I am grateful to my Honourable friend, Mr. Jinnah, the Leader of the Independent Party, for incorporating these very recommendations of the Federation of Indian Chambers of Commerce. My Honourable friend, Mr. Jinnah, coming as he does from Bombay, is keenly alive to the situation, and he always registers the feeling of the mercantile community, and he has incorporated in his amendment that portion which the businessmen want. My Honourable friend, Mr. James, began to say this morning that Mr. Jinnah's amendment is nothing but the Congress amendment. No; Mr. Jinnah's amendment has got the entire confidence of the business community in India barring those who hobnob with my Honourable friend, Mr. James, and with semi-European Chambers of Commerce or with entirely European Chambers of Commerce constituencies.

I want to address one question of my Honourable friends on the Treasury Benches. Why this anxiety on their part not to terminate this Agreement? Will the Honourable the Commerce Member give out pertinent extracts of certain communications which they must have received from England? What is the view of the British Government? Why should we not know the views of the British Government over this matter? My Honourable friend, Mr. James, waxed eloquent and said "if you terminate this Agreement, if you denounce this Agreement, no discussion can take place". I say, why not? The Articles provide that six months notice should be given. Six months is ample time to apply fresh minds to any future negotiations. But what India objects to and what India does not want is to be tied to British commerce. India's exports to foreign countries have deteriorated. My Honourable friend, Sir Bryce Burt, just now gave figures. I want to refer him to page 17, Table 10 of the Memorandum, issued by the Federation of Indian Chambers of Commerce, which gives the percentage share of some important countries in the import trade of the United Kingdom:

	1929.	1934.
India	5·1	5·8
United States	16·1	11·2
Canada	3·8	6·9
Australia	4·6	6·8
Argentine	6·8	6·4
New Zealand	3·9	5·5
Germany	5·6	4·2

The above figures show that it does not mean that if India backs out of this Agreement and if India terminates this Agreement with England, India will be loser. The Dominions have profited today to a much larger extent than any other country. Yet the Dominions today are as free as England to negotiate bilateral treaties with other sovereign nations which India is debarred from doing. Will any of my Honourable friends of the European Group enlighten me on this point? Why has England, in the face of this Agreement with India, gone back on this Agreement and entered into so many bilateral treaties with so many foreign countries? Why did Canada enter into a treaty with the United States? Why did South Africa enter into a treaty with Germany? My Honourable friend, Sir Muhammad Zafrullah Khan, will be only carrying out the dictates of the British Board of Trade and the British Foreign Office. Even today he cannot put his signature to a treaty between India and any other country, as happened when Sir Joseph Bhore was not allowed to put his signature to that Indo-British Trade Agreement. That is our unfortunate position; it is no use talking to us and quoting statistics; and Dr. Matthai, as a statistician, has proved that statistics can be changed in any way they like. What the business community want and what India wants is that we do not want our trade with foreign countries to be handicapped as it has been done with Germany. Germany has entered a bilateral agreement with England, but Germany controls her foreign exchange, and thereby the Indian trade is handicapped. That is not a new thing; this House has heard very often about it. There have been questions, short

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notice questions, discussions, etc., that India's trade with Germany has been handicapped owing to the control of the exchange. I will quote what the Federation says:

"Germany has been fully utilising the power vested in her executive to so control the foreign exchange as to adjust her balance of trade with her foreign customers".

Did *my* Commerce Member extract from Germany a quota by which India's trade with Germany would increase? But yet England has done it. And what is the opinion of the Indian Trade Commissioner in Hamburg: I will quote an extract from his report for 1934-35. He is alarmed that:

"the trade between India and Germany has since October, 1934, been almost exclusively on the barter basis."

And, he further says:

"The natural course of trade between Germany and India has in the past, both pre-war and post-war, always been that Germany has bought far more from India than she has sold to India. The German statistics for the period of October-December, 1934, showed for the first time in the history of Indo-German trade, a trade balance unfavourable to India."

And, then, he further says:

"The second danger which is more sinister from the viewpoint of the future, is that Germany as a result of compensation trade and clearing agreements, is obtaining large quantities of raw materials, which she formerly bought from India."

If England has negotiated a similar arrangement with Germany, did my Commerce Member negotiate? And, yet, we are asked to live in the stinking atmosphere of Ottawa!! We are to be tied down under England to British Commerce, and, then, we are to plead here to the Commerce Member for expansion of India's trade. Why do you not open up negotiations with Italy, Germany and Belgium, where our trade has completely deteriorated? Sir, the other day, the Commerce Member waxed eloquent about the insurance value of the preference. Everybody knows that Sir Abdur Rahim and Mr. K. C. Neogy, in their minority report, which the Government of the time and the Commerce Member of the time had not the courage to bring up for discussion in this House, proved that the insurance value of the preferences is not convincing. They said:

"It is noteworthy that Ceylon enjoys the same preference though she is not a party to the Ottawa scheme."

Sir, I may be a Congressman, but Sir Abdur Rahim was not, and Mr. Neogy was not, and that cost him a seat in this House.

Sir Cowasji Jehangir: How was that?

Mr. B. Das: If he had joined the Congress, he would have been a Member of this House.

Sir Cowasji Jehangir: That is certainly not a fact. He simply did not want to come in.

Mr. B. Das: I am not casting any aspersion, and probably Sir Cowasji Jehangir knows that Mr. Neogy is one of my best friends. But I was just asking my Honourable friend, Mr. James, to bear the recommendations of Sir Abdur Rahim and Mr. Neogy in mind:

"Having regard to the economic policies adopted practically by all other countries, trade agreements on the basis of mutual interests seem to be inevitable"

And, therefore, Sir Abdur Rahim and Mr. Neogy, in their minority report, recommended negotiation on a system of quota basis. How can the Government of India, being only a subordinate branch of the British Government, negotiate with any sovereign country in the world when they are handicapped by this Ottawa Agreement which has worked to the best advantage of England? Even just now Sir Bryce Burt challenged, but I will just read two lines from a statement of Sir Thomas Ainscough, the Trade Commissioner of England in India. He summarised that the preferences granted by India to certain articles of the United Kingdom proved generally beneficial; of course not to India. Sir Thomas Ainscough never bothers his head about India, he only concerns himself about British trade in India. He says:

"It is most encouraging to note that where the Ottawa preferences have operated, the United Kingdom's relative position has been improved, and in many cases shipments of United Kingdom goods have actually increased in face of a greatly reduced trade."

Government spokesmen argue that India has profited and England has lost. I think that is idle talk. I have only to ask the Commerce Member one question. How is it that the Commerce Department is now in close touch with the Indian Merchants' Chamber about the renewal and ratification of the Indo-Japanese Trade Agreement? If that is their policy with regard to that Trade Agreement, how is it that the Government of India did not address the different Indian Chambers of Commerce to intimate their views as to whether the Ottawa Agreement should be continued or not? Sir, they did not consult the Indian Merchants' Chambers in 1932, and they have not consulted us even now. They do not want to recognise the existence of the Indian Chambers of Commerce. And, yet, people get up in this House and say that the Indian merchants are non-co-operators. Sir, they have got equal vested interests as the European merchants, and they cannot non-co-operate; they are always willing to co-operate. It is Government that shun them, because the Indian mercantile community always looks to the interests of Indian capital and Indian interests which are at times opposed to the European capitalist interests and the interest of the Government of India which is a subordinate branch of the British Government.

Mr. N. M. Joshi (Nominated Non-Official): Mr. Deputy President, at the outset, I propose to deal with some of the difficulties which I feel in accepting the principles underlying the Ottawa Agreement. The Ottawa Agreement is based upon the principle, first, of Imperial Preference, and, secondly, of organising the British Empire as one separate economic unit. I consider that both these principles are undesirable and fraught with mischief. The Ottawa Agreement was negotiated as a measure for the recovery of inter-imperial trade. When the world's trade began to suffer on account of the post-war depression, it was generally agreed that the only solution for the recovery of international trade was the lowering of

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trade barriers through international co-operation and through international agreements. Most countries of the world paid lip-sympathy to that doctrine, but most of them raised trade barriers higher and made international co-operation difficult. Great Britain, which is responsible for an Empire, could not obviously accept the policy of self-sufficiency on a restricted national basis. On that account, Great Britain devised the plan of inter-imperial preference and organised the Empire as a separate economic unit. I feel that if the world is organised into separate blocks of nations either for economic or political purposes, the jealousies between the different nations will increase, the tensions become greater, and embitterments deepen. I feel there is a great danger not only to the economic prosperity of the world but to its political peace on account of the formation of these organised blocks. Even if the world is organised into economic blocks such as the British Empire economic block, political complications are bound to arise. It is on account of this reason that the Economic Customs Union between Austria and Germany was defeated. It is for this reason that the attempts to form a European Economic Union were defeated. I, therefore, feel that the very foundation of the Ottawa Agreement is a wrong one.

Sir Samuel Hoare, in a speech which he made as the Foreign Secretary of Great Britain, stated very clearly that a proper distribution of raw materials of the world is necessary for the establishment of peace among the nations of Europe. I feel that the Ottawa Agreement is an attempt to keep the raw materials of the Empire within the Empire. May I ask you why India should be involved in this political entanglement due to raw materials? It has been said that the Ottawa Agreement may lead to the lowering of trade barriers and may also facilitate international co-operation. The trade barriers have been raised higher everywhere. Soon after the Ottawa Agreement was signed, the World Economic Conference was held in Great Britain in the year 1933. May I ask whether the signing of the Ottawa Agreement was not one of the reasons why that Conference failed to achieve its object? It has been said that although the British Empire has organized itself into one unit and tried to keep the entire trade of the Empire within itself, there has been no retaliation as was foreseen by the Government of Lord Curzon when that Government opposed Imperial Preference. Retaliation may not have actually been undertaken, but it is a fact that our trade with foreign countries has suffered. Yesterday, my Honourable friend, Dr. Matthai, said that diversion of trade may not be a loss, but does he know that the best interests of India require that our trade should be based upon a wider market than upon a restricted market of the Empire? I feel that from the point of view of the recovery of the world from economic depression the Ottawa Agreement is completely undesirable and fraught with mischief. Even considering this Agreement from the national point of view of India, I feel that there is great risk and great danger in this Agreement. Lord Curzon's Government was very wise when it opposed Imperial Preference on the ground that in negotiating preferences between Great Britain and India there was a great risk of the interests of India being sacrificed for the interests of Great Britain. If the Ottawa Agreement had been negotiated by a free Government of India, may I ask if that free Government of India would not have taken advantage, for bargaining purposes, of the preferential or—what Government Members call—differential duties on textiles and on iron and steel? Would that bargaining advantage have been sacrificed by a free Government of India? My Honourable friend, Dr. DeSouza, told us only a few minutes ago that while negotiating the Ottawa Agreement the Governments of Australia and New Zealand devalued their currency in order to get the fullest benefit of that Agreement.

Sir Darcy Lindsay (Bengal: European): Sir, may I explain to the House that the Honourable Member is entirely wrong? The Australian currency since 1930-31 has remained the same as it is now.

Mr. N. M. Joshi: It is a fact that the currency has been devalued. May I ask whether the Government of India under the present circumstances can undertake the devaluation of our currency in order that we should get the fullest benefit of the Ottawa Agreement? Not only is our Government a subordinate government, and, therefore, unable to negotiate a treaty with Great Britain on terms of equality, but there are obvious other difficulties in the way of the Government of India. The Government of India consists of British members and Indian members; and I feel in asking them to negotiate a treaty with Great Britain we are putting them in a very wrong position. The Indian members have to reconcile their position as citizens of India and true sons of India and as the subordinates of the Imperial Government of Great Britain. The European members of the Government of India have to reconcile their position as true sons of Great Britain and faithful servants of India on account of the subordinate position of the Government of India to the British Government in Great Britain. Not only that. But even in small matters like the publication of the report on the working of the Ottawa Agreement difficulties are bound to be felt. British member of the superior service, Dr. Meek, could be given the responsibility of publishing his report over his signature and allowed to express opinions and conclusions on that Agreement. But, Sir, when his position was taken by a poor Indian, my Honourable friend, Dr. Matthai, he could not assume the responsibility of publishing that report over his signature. There are serious difficulties in the way in accepting an agreement negotiated between a subordinate Government and their overlord the British Government . . .

Prof. N. G. Ranga: But he was made to speak yesterday . . .

Mr. N. M. Joshi: Yesterday, my Honourable friend, Dr. Matthai, told us that as the Trade Agreement had been in existence for three years, let us not disturb the arrangement which has been brought about in the imperial trade relations on account of that Agreement. One of my arguments for opposing the Trade Agreement with Great Britain is that it creates vested interests. This Agreement has created not only vested interests of some sections of Indians, but British vested interests are also created in India. We are allowing British trade to be built up in India by means of the Ottawa Agreement. The British people insist upon laying down safeguards in the Constitution for safeguarding and protecting every vested interest they have in this country. If we allow further vested interests to be created by allowing their trade to be built up under the shelter of a treaty, they will ask for further safeguards for the protection of the further vested interests that may be created under the shelter of this Agreement. It is true that they have got some safeguards for the vested interests that were created in former times; and when those vested interests were created we were not consenting parties for the growth of

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those interests; but if we allow vested interests to be created by means of a treaty to which we agree, we shall be a consenting party for the growth of British vested interests in this country; and we shall be regarded to be also consenting parties for the laying down of safeguards in the Constitution for the protection of those vested interests. I, therefore, feel, that from the point of view of international co-operation and the recovery of the world trade and from both the economic and political point of view of India, there are serious difficulties in the way of our accepting that Agreement. It may be said that as practical men whatever may be the difficulties of principle and policy, let us for the sake of expediency accept the Trade Agreement. We may modify one's principles and policy for the sake of expediency as practical men if the benefits which we get are positive and large in extent. But if you have followed the speeches in this House during the last two days, Sir, I am sure you have come to the conclusion that there is hardly any whole-hearted supporter of this Agreement in this House. Even the speeches of the members of the Government Benches were the speeches of apologists rather than of supporters. (*Opposition Cries of* "Hear, hear".) The Honourable the Commerce Member, while recommending the appointment of a committee to consider the Ottawa Agreement in detail pleaded that the Ottawa Agreement, if it does not possess any positive virtue . . . .

The Honourable Sir Muhammad Zafrullah Khan (Commerce Member): I never said that. It is entirely wrong. Can the Honourable Member point to a single sentence in my speech from which that inference could be drawn, if his conclusion is honest?

Mr. N. M. Joshi: The Honourable the Commerce Member will at least permit me to say that he appealed to the House to accept a committee on the ground that the Ottawa Agreement possesses a negative advantage—that was his word—a negative advantage of insurance that the trade of India in Great Britain . . . .

The Honourable Sir Muhammad Zafrullah Khan: I put forward the plea that it had both a very considerable insurance value as well as a positive value. I never said that though it had no positive value, it had a certain amount of insurance value. That is an absolute distortion of what I said.

Mr. N. M. Joshi: Whatever positive advantages the Honourable the Commerce Member may have seen in the Ottawa Agreement, he has not placed them before us . . . .

The Honourable Sir Muhammad Zafrullah Khan: I did.

Mr. N. M. Joshi: The argument which made an impression on my mind and on the minds of the House was that the Ottawa Agreement has the negative value of insurance (*Opposition Cries of* "Hear, hear"). If the Honourable the Commerce Member appeals to us to accept the Agreement on the ground that it has the negative value of insurance, we cannot do so: we cannot modify our objections in principle and policy to the Ottawa Agreement....

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member has got two minutes more.

Mr. N. M. Joshi: I shall not speak at length regarding the details of this Agreement. I have pointed out that even Government themselves are unable to put forward the positive advantages of this Agreement. But the Honourable the Commerce Member in recommending this Agreement to us for consideration in committee asked us, "What shall we do in order to secure free entry for our goods if we terminate this Agreement?" I feel that if we study our exports to Great Britain, Great Britain will not retaliate against India or refuse free entry for the goods of India in Great Britain. Can Great Britain retaliate against the export of tea to Great Britain which forms the biggest single article of our export to that country? The Indian tea trade is built up by British capitalists. If Great Britain retaliates against the tea trade, they will be retaliating against their own countrymen.

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

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands the Honourable Member has already exceeded his time limit.

Mr. N. M. Joshi: I shall not exceed my time limit: I was told that I had two minutes more. I am sorry—I shall not detain the House for more than a minute. I feel that from the point of view of international co-operation and the recovery of world trade, the Ottawa Agreement is undesirable and fraught with mischief. From the point of view of economic and political interests of India, this Agreement is full of risk and danger. I therefore hope, Sir, that the House will agree to terminate this Agreement, and by so doing, we shall be serving the interests of India and the interests of international co-operation and the recovery of world trade. Sir, I have done.

Dr. Ziauddin Ahmad: Sir, before I make any observations on this subject, I may be permitted to relate a very small story. Two persons were fighting on a very small issue. Their talk became very hot, and one of them suddenly gave a very severe blow to the opponent, and the opponent quietly said, "don't use physical arguments". But I said that it was the case of *argumentum ad hominum* which I am going to use in my arguments.

An Honourable Member: No physical arguments?

Dr. Ziauddin Ahmad: Sir, there is one point which I should like to mention, and it is this. Unfortunately, our economists are divided into two classes. In the first category can be put what are called academic economists; they still live in the last century without any familiarity or knowledge of what is taking place around them in these days; while, in the second category, I put down another class of economists, who, like *Muftics*, in the declining days of the Abbeside Dynasty, were ready to give their version in favour of any side that the King wanted them to give. It is the same case with this second class of economists, who

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are willing to write a pamphlet for any side which asks them to write; they take the conclusions for granted; they put down certain major premises which can be questioned. From this point of view, therefore, I consider it is really an advantage not to be an economist, but it is better to rely more on common sense than on all the books of the economists put together.

Now, Sir, coming to the subject of the debate, to my mind, the issue is an exceedingly simple one. We asked the Government in 1932 to prepare a report for the benefit of the House about the working of the Ottawa Agreement. The question now before us is not whether the Ottawa Agreement should be terminated or not. The real issue before us is whether we should consider the report which has been placed in our hands written by Dr. Matthai, or whether we should non-co-operate with the report, and, without considering it straightaway, tell the Government that we must terminate the Agreement. The issue before us is whether the promises held out to us in 1932, and, I personally took not an unimportant part in the discussion at that time, have been materialised by the experience of the last three years or not. If they have not materialised, then we really have no other alternative but to terminate the Agreement, but if those promises have materialised partially, then it is our duty to see how the Agreement can be modified and what further action we should take in the matter. The issue is, whether we should consider this report and examine whether we should see how far the expectations held out in 1932 have materialised, or say that we are not going to co-operate with this report, and that we have nothing to do with any kind of agreement in which the British Government has a hand, in which Imperial Preference comes in. Sir, I have great respect for those who hold such a view, but, at the same time, I honestly believe that by this attitude we are not advancing the interests of India, we are not pushing forward the real and genuine interests of this country. Several speakers have brought forward certain points, and my friend, Mr. Abdul Matin Chaudhury, gave certain figures relating to linseed and tea. The figures which I have before me, however, differ from those which were quoted by my Honourable friend, and this can only be settled if we can sit down together in a meeting, examine those figures in detail, and see whether all the advantages and hopes which were held out to us have materialised or not. If they have materialised, then we should stick to the Agreement, otherwise we will have to modify the Agreement or terminate it altogether, but, I think, before considering the matter in all its aspects, it is premature to say that we should reject the Agreement.

Sir, my friend, Mr. Joshi, has given us a novel picture today. I am sorry he has discovered it rather late, because he never mentioned it in all the discussions in 1932. He said that the whole object of the Ottawa Agreement is to keep the primary products of the British Empire within the British Empire. This is really an entirely novel theory which Mr. Joshi probably never thought of in 1932 when he took part in the discussions then. Sir, I put this question entirely from a different point of view, and my proposition is this, that India pays 70 crores of rupees every year to the United Kingdom on account of our commitments, interest and private remittances. Where is this money to come from? There is only one reply. It can only come from the balance of trade, and here I find that the balance of trade is really going down. The

balance of trade before the War was 78 crores in 1913-14. Then, it dwindled to 76 crores. In 1931-32, it came down to 34 crores; in 1932-33, it came down to .9 crores; in 1933-34, it came down to 33 crores; and, in 1934-35, it was only 21 crores. This fall in the balance of trade has recently been made up by the export of gold. For example, last year, we exported 61 crores worth of treasure against 21 crores of merchandise, but gold is really not a commodity. Gold is really an article which can only be adjusted to equalise the two balances, but unfortunately we have been using gold as a commodity in order to equalise our balance of trade. This is a very unhealthy state of affairs, and it ought to be remedied as early as possible. Therefore, the real problem before us is how to secure a favourable balance of trade equivalent to 70 crores of rupees to meet our own commitments. One method which was thought of in 1932, which was expected to improve the balance of trade was this Ottawa Pact. There have been some improvements since this Ottawa Agreement came into force, but the hopes have not been fully realised. We have now to enter into details of these questions, and details can only be discussed in a Committee, and not on the floor of this House. One argument has been brought forward by the speakers on various sides of the House—and it was also brought out in 1932—that is, that this increase in the trade is only a diversion from foreign countries to the United Kingdom. It may or it may not be, but the position today is that every country in the world is trying, on account of exchange difficulties, to have a favourable balance of trade. Germany has got one method, Italy has got another method, France has got a third method, Turkey has got a fourth method, etc. Some of the countries have got quota system, and France is notably a prominent example. Germany has got the clearance house system; she says that if she buys anything, she must find out some person who is going to buy from Germany. If a person in Calcutta wishes to sell hides and skins to Germany, he must come to an agreement with Siemen and Company who are introducing electrical things from Germany, so that the two bills may balance each other. Unless there is a clearance, she is not going to buy. It is impossible in these days to have any balance of trade with Germany, and, in fact, our balance of trade with Germany has been going down steadily. Some countries are having quotas, and under that system it is very difficult for us to have a favourable balance. Under the system that is being adopted now a days by other countries, it is very difficult for us to have a favourable balance of trade, unless we devise an entirely new method. My Honourable friends may be giving advice to us, but they should not forget that, whatever advice they give us, they should also give advice to other countries. If the other countries follow one method and we follow a different method, then certainly we will not succeed.

Coming to the prospects that were held out to us at that time, in the note of dissent I wrote at the time, I calculated the value of preference given to India. We got six million pounds worth of preference, and, as against that, we gave a preference of about 1¾ million pounds. We calculated preference on each commodity separately. I ask, whether it is or it is not desirable that we should sit down and judge for ourselves how far those expectations have been realised. I sat down myself and went through these figures supplied in this report, and I find that in some cases we had a partial realisation of our hopes, and they were,—linseed, rice, tea, tanned hides and tanned skins, oilseeds

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and castor, woollen, carpets, castor seeds and groundnut. I do not want to go into all the figures given in this particular book. But I would draw the attention of my friends from Madras about tanned hides and skins. The preference is valuable for them at present. If this preferential duty is removed, the position of tanned hides and tanned skins will be very bad in Madras. The other day, they pressed on the floor of this House that there should be an export duty on raw hides and raw skins, but they took the wrong end of the stick; in fact, they should have pressed that there should be a better preferential duty on tanned hides and tanned skins in the United Kingdom. These are articles to my mind where the Ottawa Agreement has done good to our export trade, and I think it is not desirable that, when there is a *bona fide* case for it, we should refuse even to study the question in detail and come forward with definite suggestions. There is a proposal also that we should have some kind of negotiation with other countries which will be favourable to us. I very much welcome that, but why should we leave the whole burden to the Government? Why should not a Committee of ours go into details and make preliminary suggestions to the Government for their consideration? No doubt, we have little responsibility in this House, but whatever little responsibility we have, why should we not make use of it? We should invite the evidence of commercial people and important and influential persons before the Committee, and formulate our suggestions to the Government. These are important things which the Committee can do, instead of leaving the whole thing entirely to the Government. We should take a little initiative in the matter and suggest what should be done. If we consider in detail the various steps taken by the different Governments in order to equalise their balance of trade, we may be able in suggesting the form of agreement we should formulate with different countries. Evidently, we cannot have the same form of agreement with every country, and I think we should sit down and make some suggestion or gesture to the Government as to what they should do. I may submit once more that we on this side of the House do not commit ourselves as to the intrinsic importance of the Ottawa, but I think that a *bona fide* case has been made out that we should at least sit down and consider how far the hopes have materialised, because, certainly, in the cases which I have mentioned, the preference has been to our advantage.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Nothing is more difficult to contend with in debate than atmosphere. It is clear from the course of the discussion since yesterday morning that there is a good deal of suspicion and hostility—unconscious is the phrase that has been utilised by the Federation of Indian Chambers in another connection, and I may apply that to this particular feature of the discussion—there has been a good deal of suspicion and hostility manifest against this Agreement. Now, Sir, one explanation of that is the literature—my Honourable friend, Dr. Matthai, characterised it as emotional literature, and there is a great volume of it—that has been published and circulated on the subject . . . . .

Mr. N. M. Joshi: By whom?

Sir Girja Shankar Bajpai: By the Federation of Indian Chambers of Commerce, by Mr. Nalini Ranjan Sarkar, by a gentleman calling himself Mr. Gadgil, so on and so forth.

Mr. B. Das: By Professors who have no work.

Sir Girja Shankar Bajpai: If my Honourable friend would like me to consume my time in dealing with the different interruptions, I am quite prepared to do it.

Mr. B. Das: You alluded to the Federation of Indian Chambers of Commerce.

Sir Girja Shankar Bajpai: But if the Honourable Member would allow me to proceed, I hope I shall be able to indicate to the House that I am not entering into the discussion in any spirit of controversy at all. My one anxiety and desire is to place before the House certain economic considerations which may help Honourable Members to come to a conclusion in consonance with the ideal that they have placed before themselves, an ideal which I venture to say that we on this side of the House also have before us, the ideal of serving the best interests of India.

I was speaking of the atmosphere of suspicion and distrust that has been worked up . . . . .

Mr. M. A. Jinnah: Tell us what your views are.

Sir Girja Shankar Bajpai: My friend, Mr. Jinnah, wants me to cut short my preliminary remarks. I have no objection to that, but, even confining myself to the subject matter of what I wish to say, there are two courses open to me. One is to parody Milton, the great English poet, to—

> "Invoke the aid to my adventurous speech.."

—(and in this atmosphere, any speech from this side is a very adventurous enterprise indeed)—

> "Of linseed and raw jute, of groundnuts whole
> And decorticated, of undressed skins,
> Of oil seed, cake and meal, pollard and bran,
> Of pleasant oil of sandal, and its dread
> Opposite, oil of castor, of thing of
> Liquid sound but meaning full obscure,
> Myrobalans, or of hemps, Manila,
> True and *Crotalaria juncea*."

I apologise for this parody of Milton, for this excursion into poetry, but the example has been set only this morning by my friend, Mr. Satyamurti. However, Sir, I shall not expend any more time on what my Honourable friend, Mr. Jinnah, looks upon as mere trivialities. I shall get on to the serious part of such observations as I have to make.

Now, there are three main questions which it seems to me this House has to consider before making up its mind, either in favour of the motion which the Honourable the Commerce Member has placed before the House, or the motion which the Honourable the Leader of the Independent Party has put forward before the House and in favour of which, if I understand aright, my Honourable friend, Mr. Satyamurti, the Congress Party, are prepared to vote. Now, Sir, these are the three questions. Has the Ottawa Agreement inflicted on India actual harm or is it potentially harmful? That is Question No. 1. Question No. 2—How has the

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Agreement failed to confer on India advantages commensurate with her needs or expectations. And the third question is one relating specifically to the amendment or the specific proposal of the amendment of my Honourable friend, Mr. Jinnah,—will bilateral agreements help India to attain the ideal of an adequate and increasing balance of trade? Now, Sir, let me take the first question. Has the Agreement inflicted on India actual harm or is it potentially harmful. I shall deal first with the first part of this question, namely, whether India has had actual harm inflicted on her by reason of this Agreement. There is, Sir, one important and in fact the only important allegation made in this connection which one has to consider, the charge of retaliation by foreign countries. This is what Mr. Nalini Ranjan Sarkar says:

"The genuine trade demand for India's commodities was, notwithstanding the tendency towards recovery, to a great extent restricted by discrimination made against non-Empire countries, and the consequent restriction of the Indian market for imports from these countries."

Mr. Satyamurti has stated the argument in a different way. He says that discrimination has had the effect of reducing the capacity of foreign countries to buy Indian goods. The Federation of Indian Chambers of Commerce and Industry are a little more positive. They say:

"Under the compulsion of finding the means of balancing their international accounts, there has begun a process of sub-conscious retaliation by Germany, Italy and France towards India."

They even go further and say:

"France and Italy have been following, since the Ottawa Agreement, a policy of developing their colonial possessions on lines similar to the British schemes."

Now, Sir, if these criticisms were valid, they would undoubtedly be a very strong argument against the continuance of the Ottawa Agreement. I concede that at once, but the question is, whether those arguments are valid or whether there are other circumstances such as currency instability and so on which have been responsible for the great limitation that has taken place in our export trade with countries other than the United Kingdom. That, Sir, is the important question which we have got to consider. Now, let me take first the case of Germany, because that is the country which has been most prominently mentioned in the course of the discussion that has proceeded so far. There are then other countries, France and Italy. I shall deal with them also but I shall take Germany first. Now, Sir, I am not quoting what I have to say from any compilation of a bureaucratically tainted mind, emanating, as it were, from the archives of the Government of India. I am not doing that. I am not quoting from any note which has been prepared by any of our experts who are suspect in the eyes of a number of Honourable Members opposite. I am quoting from the report of the League of Nations Economic Survey for 1934-35.

Some Honourable Members: Oh, oh.

Sir Girja Shankar Bajpai: I admit that even the League of Nations is suspect in the eyes of my Honourable friend, Mr. Satyamurti. This is what it says:

"The policy of debt default, import restrictions and redirected trade, has, in effect, eliminated Germany from the chain of normal trade and financial transactions connecting the debtor raw material countries with their industrial creditors."

The chronology of this sad, indeed tragic, sequel may be briefly traced. Germany started her career of restrictions on imports soon after the War by progressively closing her markets to the producers of other countries in an attempt to protect her agriculturists. In 1929, she imposed a much more drastic range of duties. The whole movement in favour of tariff restrictions was accentuated by discussion of the Hawley-Moot tariff (1929-1930). The suggestion for a tariff truce made in 1929 by the Assembly of the League led to further raising of tariffs in order to gain advantageous bargaining positions. Now, I am coming to a somewhat important sequence of events. In 1930, as a result of the circumstances to which I have referred, even more prohibitive rates were introduced by Germany into her tariff. In the following year, exchange control had to be introduced. The position went on steadily deteriorating.

Attention has been drawn in the Federation's Report on page 15 to the marked decline in the value of India's exports to Germany in 1934-35. It might interest the House to know that in May, 1934, German reserves of gold and foreign exchange had dwindled to 4·5 of her liabilities. In June, 1934, the allotment of foreign capital was ten per cent. of what it had been in 1930-31. It seems to me that the import restrictions which Germany has had to introduce are adequately and abundantly explained by the position in which she found herself as a result of the currency instability and other burdens that she had upon herself. I do not think it is necessary for anybody to probe the sub-conscious mind in order to come to a conclusion, in order to explain, why it is that Germany has reached the very unfortunate position which I have ventured to describe in the language of the Economic Survey of the World for 1934-35. Now let us take the other countries,—France and Italy. There again, Sir, if you will look at the table at page 12 of the Federation's Note, you will observe that the greatest measure of fall in the exports of this country to continental countries, *e.g.*, Italy and France took place in the year 1934-35. What is the explanation of international economists of that particular phenomenon? I will read out what they have to say on the subject:

"Many of the outstanding economic events since the middle of 1934 have been incidents in the battle fought by the countries still adhering, normally or in fact, to the gold standard, to maintain the official parities of their currencies faced by the heavy strain on their balance of payments arising from the return flow of capital to the United States and from the trading advantage conferred by the under-valued dollar, . . . those countries which endeavoured to operate a free gold standard found their difficulties aggravated . . . . The technical monetary position of the gold bloc countries was strong but their economic situation was weak and became weaker . . . By tightening their trade restrictions, imports could be *heavily* reduced and the strain on their balance of payments relieved."

Now, in this connection, it is interesting to draw the attention of the House to the drop that took place in the percentages of imports into these countries. Take France. Imports into France fell by 19 per cent., into Belgium by seven per cent. Compared with the preceding year, those of the Netherlands fell by 14 per cent. I am referring to the year 1934-35 which is the year in which our exports to these countries have been most marked. And I would say this, that if my Honourable friends would like, I could give them statistics of import and export percentages for these different countries which will conclusively prove that these restrictive measures have had to be taken, not because of the balance of trade with

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India because—I am simply stating the thing in general terms now—into none of those countries are the imports from this country more than 3·1 or 3·2 per cent. of their total trade. These measures have had to be taken as a measure of protection against a country such as the United States of America with which the balance of imports was very much higher—12 per cent., 15 per cent. or 10 per cent. as the case might be. Well, Sir, I feel that in the light of the statements which I have made of the financial difficulties of these countries, and of the instability of the exchange and the currency situation, it is not right to say that such restrictions, as have been imposed upon imports from this country, have been imposed because of Ottawa. As I have tried to explain, in the case of Germany her restrictive policy began in 1929—three years before Ottawa. Similarly in the case of France and Italy. The figures for one year, 1934-35, show that that is the year when the fall in the exports from this country to those countries became most marked but actually the regime of restrictions of quota, of exchange and so on began in 1929 and have gone on intensifying ever since because of the factors which I have already mentioned, namely, the instability of currency and exchange. My Honourable friends will probably say that this by itself is not a sufficient explanation of everything. The point I wish to submit for the consideration of the House is that those who have drawn attention to what they consider to be actual acts of retaliation by these countries have not been able to point out one single measure which is either discriminatory against India or which can be conclusively or by implication related to the effect of the Ottawa Agreement. What I maintain is that if the point of view which I have put forward before them is not considered by them to be either convincing or conclusive, the alternative is, not to say that we should reject this Agreement; the alternative is to enter into an investigation of the effect on our trade with these countries of this very important and very flexible factor, shall I say, that has been operative for some time. Now the second question which I had set out to answer was:—why is it that our expectations in regard to the revival of trade have not come up to expectations? There again, Sir, the best way I think of dealing with the matter is to give the House a few quotations from those who have criticized the Agreement: Says Mr. Nalini Ranjan Sarkar:

"The Pact has not ensured to India the balance of trade that she vitally needs to meet her annually recurring foreign commitments."

Mr. Satyamurti has expressed the same criticism before and he repeated it this morning practically in these words:

"Has Ottawa resulted in an increase of India's export trade?

Well, I say you cannot give an answer to that question without first considering what exactly has been the nature and the extent of the recovery in relation to which you wish to judge the effects of the Ottawa Agreement."

Now, here is some information, not extracted from the archives of the Government of India but from international publications which seems to me to be very relevant:

"The textile industries which lean most heavily on agricultural materials did not expand as rapidly as other branches of production." (*Indeed to quote the language of the League of Nations World Economic Survey for 1934-35*) **"the characteristic feature of the recent revival has been its concentration in certain branches of heavy industry and building construction."**

The same compilation says of the recovery in the United Kingdom:

"At the beginning of 1935, it was becoming very clear that the recovery stimulated by cheap credit was rather dangerously dependent upon the construction and home-consumption industries, without a corresponding expansion of the industries catering for export markets."

That being the position, Sir, it is rather difficult for anybody to expect the results which it has been contended ought automatically to flow from Ottawa. That cannot be, unless there is a revival of international trade. Now what is the suggestion that has been offered for the purpose of achieving that revival of international trade? The suggestion that has been offered is bilateral agreements. Now, Sir, to a common-sense individual and one who, like myself, is not an expert, the first question is—how are you going, by entering into a bilateral agreement with a country which has a weak currency or a weak exchange position, how are you going, by that expedient, to improve your balance of trade, for that is what the Honourable Members opposite desire and that is what we also desire. Reference has been made to bilateral trade agreements which have been entered into by Germany with the United Kingdom, by Turkey with the United Kingdom. I mention the two cases that have come up in the course of the debate. As regards Germany the position is that Germany insisted that the United Kingdom imports into Germany shall at no stage exceed 55 per cent. of Germany's exports to the United Kingdom. In the case of Turkey the figure was 70 per cent. In other words, where certain countries have entered into these bilateral agreements with countries whose exchange position is weak, they have had to reconcile themselves to an adverse balance of trade. At the best such an arrangement would mean an even balance of trade. It means you take more from them than you are doing at the present moment in order that they may take from you as much as they have been doing so far. Now, Sir, we have heard a good deal of condemnation of diversion of trade from the Continent to the United Kingdom as a result of the Ottawa Agreement. The question that I ask is this. If by entering into bilateral trade agreements with Germany, France, Italy and other countries, the only result that you secure is that you get more manufactured goods from these countries in order to meet your requirements, but in lieu of what you have been so far importing from the United Kingdom, well, then all that happens is that your trade in manufactured commodities is diverted from the United Kingdom to the Continent. It does not mean that you take more because, after all, that cannot happen until your purchasing power goes up; consequentially, it does not necessarily mean that you will send more to those countries and at the same time you will continue to sell to United Kingdom what you have been doing so far. It seems to me that on that view of the problem so far as your relation with weak exchange countries are concerned, bilateralism is not going to help you. On the contrary, it is going to be restrictive of your trade unless there is that general revival of trade which we all desire. But the general revival of trade is not to be expected from bilateral agreements. Take the case of countries whose exchange position is not weak, but whose exchange position is strong. I am talking of a country like the United Kingdom. Reference was made by one of the speakers today—I think it was my Honourable friend Mr. Joshi—that one of the objects of the Ottawa Agreement was to convert the British Empire into a self-contained economic unit for the purpose of consuming all the raw materials that are produced within the Empire.

An Honourable Member: Within the British Empire.

Sir Girja Shankar Bajpai: Yes, within the Empire. Now, the question as regards that is this: What is the United Kingdom, which is the principal manufacturing unit within the British Empire, going to do with the raw materials that it buys from these other countries unless the constituent parts of the Empire are prepared to take up all that she manufactures. She must find an outlet elsewhere. In other words, there is no possibility of the United Kingdom being able to exist as a self-contained unit unless all her industrial output is consumed by the British Empire or by the British Commonwealth of Nations. I am not aware of a single person in the United Kingdom of any authority declaring that so far as the British Empire is concerned she either has the opportunity to consume all that she produces or holding the ideal that all that she produces is to be consumed there. On the contrary, the United Kingdom desires, as all manufacturing countries desire, that she should have the widest possible international market for her goods. I have presented to the House the view of an ordinary person who is not an expert. It happens that this particular problem has been studied by a Committee which was appointed at the instance of the Government of France, not the Government of the United Kingdom, by the League of Nations. I will read to the House an extract from the report which they presented on the working of bilateral trade agreements. The reference is to page 16 of the report:

"They", (*that is to say, these bilateral trade agreements*), "are liable to create artificial channels of trade running contrary to price levels. They reduce mutual exchanges to the level of the party for the moment, less qualified to carry on export trade. They tend to lower the level of world prices, they have a restrictive effect on trade; limit possibilities of sale. Faced with the partial or complete closing of these outlets the countries which are not parties to them are gradually led to reduce the prices of their goods in order to sell them. These agreements thus reduce the volume of trade and the prices at which trade is conducted. They reduce the ability of *debtor countries*."

It is rather important that the House should note these particular words:

"to meet those financial obligations which gave rise to exchange control and subsequently to introduction of clearing agreement."

I submit, Sir, being a debtor country, faced as we are with the authoritative pronouncement that I have quoted to this House now, we cannot face the prospect of multiplying bilateral agreements with equanimity.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Is the Ottawa Agreement a bilateral agreement?

Sir Girja Shankar Bajpai: My Honourable friend asks whether the Ottawa Agreement is a bilateral agreement. Certainly it is.

Pandit Govind Ballabh Pant: Is it not self-condemned?

Sir Girja Shankar Bajpai: Because the Ottawa Agreement is a bilateral agreement, are you going to begin the illogical process of denouncing one bilateral agreement in order to conclude bilateral agreements with all countries? To continue a bilateral agreement with our biggest market in the world, namely, the United Kingdom, which actually takes 25 per cent.

of our exports in preferred commodities, is really advantageous to India. I had a calculation made this morning and I found that these other countries, that is to say, France, Germany, Italy and Belgium, they between them in 1933 took 19 per cent. So we are going to denounce Ottawa because we do not want bilateralism only with the United Kingdom; we think of terminating our agreement with the United Kingdom which is a bilateral agreement, but we propose to improve the shining hour by entering into bilateral agreements with other countries.

Mr. S. Satyamurti: With all.

Sir Girja Shankar Bajpai: If your agreements are with all, then if it means anything, I submit that the transaction ceases to be bilateral, it becomes multilateral or polygonal which is really the aim of international trade.

Mr. M. A. Jinnah: I do not think that is my amendment. If you read it carefully, you will know what my amendment means.

The Honourable Sir Muhammad Zafrullah Khan: Several Honourable Members have said so.

Mr. M. A. Jinnah: My amendment speaks for itself.

Sir Girja Shankar Bajpai: I happen to be in the unfortunate position of not having had the opportunity of hearing from Mr. Jinnah's lips as to what kind of bilateral agreement he desires.

Mr. M. A. Jinnah: Wait till Monday.

Sir Girja Shankar Bajpai: Whatever my Honourable friend and other speakers might say I am merely trying to explain what an authoritative body had to say on the subject of bilateral agreements.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has spoken for more than half an hour.

Sir Girja Shankar Bajpai: I will conclude presently. I have tried to show to the House that what has been said on the subject of retaliation has not been proved. I have tried to show to the House that what is attributed to retaliation, conscious or sub-conscious, that is due to exchange and currency restrictions which have operated independently of the Ottawa Agreement. I have tried to show to the House that bilateralism far from being a beneficent panacea is a maleficent malady. My Honourable friends will be entitled to ask what exactly is it, that is likely to get us out of the slough of despondency and depression in which we find ourselves today. For that, there is an answer and that answer, let me say, is not from any publication of the suspect League of Nations. No, Sir, that has been suggested by the Central Bank for International Exchanges that exists in Europe for the regulation of international payments. This is what the Bank says:

"With the passage of time it becomes more and more clear that no fundamental durable recovery can be hoped for unless and until a general stabilisation of the leading currencies has been brought about."

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Now, Sir, are we, a debtor country, in a position to bring about that stabilisation of currencies?

Mr. S. Satyamurti: We can help.

Sir Girja Shankar Bajpai: Yes, we can help, but the initiative must be taken by a creditor country. And which is the creditor country that stands closest to us in these matters? The United Kingdom. (*A Voice*: "Your masters.") My Honourable friend says they are my masters; I say they are my friends, and that is quite different. That, Sir, if I may venture to say so, is the objective that we have to put before ourselves. My Honourable friend, the Leader of the Opposition, who is always easy, always elegant of diction and always adroit, said to us yesterday, "My dear Sirs, what is the good of your saying that there can be no termination of agreement or notice of termination of agreement between partners?" Well, Sir, it may be,—and I am not saying that in any spirit of disrespect or offence,—it may be that legal advice favours a termination of agreement as likely to lead to litigation, and, therefore, to profit. But ordinarily I should have said that before the stage of terminating an agreement was reached, the parties should get together, should exchange views and if that exchange of views pointed to a termination notice might be given. That, my Honourable friends may say, is a dialectical point and I do not desire to deal in dialectical points. I have also exceeded my time. But I do wish to submit this to the House that in the study of this particular Agreement there are more points of view than one; that the point of view which has been put forward by the Opposition is not the only possible point of view; that there are other honest and varied points of view; and that if you wish to reach a patriotic decision which is at the same time impartial and a sound decision, then the best way to do that is not to decide the thing by the counting of heads here without proper examination and scrutiny but to go to a committee. (Applause.)

Mr. Sami Vencatachelam Chetty (Madras: Indian Commerce): Sir, I am not an expert, much less a person so quick-witted as to be misguided by emotion. I have listened with great respect and attention to the speech of the Honourable the Commerce Member in making this motion. It is a speech of moderation and frankness and also it is very conscious of the impending fate that awaits his motion. We have also heard the speeches of a few Honourable Members who spoke in support of his motion, and particularly those gentlemen who are nominated to this Assembly as expert Members for this debate. Sir, it is more than ten years since I had the pleasure of listening to the sweet voice of Dr. Matthai in the Madras Legislative Council. He had been a professor of economics before he was drafted into the Government service proper. I, therefore, dare not question his pontifical admonitions to the Honourable Members of this House that most of the discussion has been irrelevant, that the speeches had been more actuated by emotion than by reason, and that the motive was misdirected enthusiasm. Sir, a charge of that sort I can only expect the Honourable the Leader of the Independent Party to answer. But when consigning my friend, Dr. Matthai, to the tender care of my Honourable friend, Mr. Jinnah, I would only request him to remember that he comes from my country, and, therefore, to deal with him rather smoothly.

Sir, there have been three experts who spoke on this matter. And I am reminded, Sir, of a story of three experts. There was one logician, one musician and another expert in finding out different values of nutrition. These three gentlemen went to a picnic excursion to a wayside station with only a little money and with practically no utensils. The musician thought that he must keep the money with him so that he might be frugal. So, on alighting at that station, where they expected to spend some time, he doled out a few annas to the logician and to this expert in nutrition whom I will call Mr. Vitamin. Mr. Vitamin went to the vegetable market and perhaps the mutton market also, and the logician went to fetch ghee. Mr. Vitamin went to the market and began to examine the nutritive value of each vegetable that was for sale and did not for a long time come to any decision as to what should be bought. Therefore, he was returning without buying anything. But the logician was a more reasonable man; he bought the ghee in a small earthen pot, and as he was coming somebody accosted him asking what he was carrying. He said he was carrying ghee. The person who had accosted him said, "I do not think so; you are really carrying an earthen pot". Then, doubt arose whether he was really carrying an earthen pot or ghee. Then he revolved in his mind in so many ways and found he could not come to a conclusion unless he had a practical demonstration by turning the cup upside down. When both these people returned to their musician friend, they found him listening to the pot boiling without any rice in it. The music that came out of that bubbling water did not suit with the timing of the musician, and, therefore, he broke the pot. That will be the fate of those persons who depend entirely upon the wisdom of these experts. Apart from that, Sir, we expect experts to confine their attention and their discussion to the mere production of arguments and statistics and figures to be helpful to any person who would like to use a particular argument. It is not for them to characterise a discussion in this House in one manner or another.

Now, Sir, it seems to me that Dr. Matthai was also the author of the report which has been sent to us on this Trade Agreement, for the year 1934-35. What he wrote seems to me very much better and more reasonable than what he spoke. The Honourable the Commerce Member asked us to judge this matter as divorced from politics. If any declaration is necessary, barring, of course, my Honourable and redoubtable friend, Mr. James, I declare on the floor of this House, on behalf of my Party and myself, that there is no other consideration which influences us to object to this Trade Agreement than the purely commercial and economic one.

Now, Sir, the Honourable the Commerce Member has told us that this Trade Agreement was entered into in the belief that it would be of positive benefit to our country. I stand by that statement, and I challenge Honourable Members taking the other view to substantiate that statement. I propose to refute that claim and to prove that there has been no positive benefit to our country—by the remarks of Dr. Matthai who has come here to support the motion for a Committee.

There are about eleven articles of importance which enjoy preference under the Trade Agreement. I shall quote the very words of the Report. In regard to rice in the Report, the preference is said to be of some importance, in regard to vegetable oils, of considerable value, in regard to magnesium chloride, of enabling value, in regard to linseed, of great

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value, in regard to coffee, of improving value, in regard to tea, of maintaining value, in regard to coir yarn, of insurance value, in regard to cotton manufactures, of little value, in regard to hides of gaining-ground value, in regard to jute, of insurance value, and so on. There is not a single article which has been of positive value, (*Cries of* "Hear, hear".) Apart from that, let us take the three articles in regard to which it is said there has been considerable or great value. One is vegetable oils. In the opinion of the author of the Report, the preference on vegetable oils is of considerable value. What really is the position with regard to vegetable oils? India lost seven million gallons in export. This is an article in regard to which it has been said that we have considerable value. With regard to linseed, more than one speaker laid great emphasis upon the large increase in export of linseed to the United Kingdom. Sir, I thought, it was confined to my friend, Sir R. K. Shanmukham Chetty, to issue a manifesto mentioning the large increase in export of linseed as sufficient ground for justification for signing the Ottawa Trade Agreement—only to the gullible public of the Madras Presidency. I never knew that expert Members, Members who should have known things better, would be addressing this argument to a House so distinguished and so honourable as this is.

Now, with regard to linseed oil. In the first place, was not the increase due to the fact that there had been a failure of the crop in Argentine? In the second place, was it not due to the lower parity of price so far as Indian linseed was concerned? Why repeat an argument which you know to be thoroughly fallacious and which you know would only be substantiated by concealing the truth about it? With regard to coffee, which in the opinion of the author of this Report is of improving value, I suppose the argument has been met by Dr. DeSouza, my Honourable friend from South Canara, and others. So far as gaining ground and insurance values are concerned, it is impossible for me to meet them, because they do not require refutation.

My Honourable friend, Mr. Gauba, laboured hard and indeed voluntarily underwent that pleasing pain which women alone can bear to produce children—and produced the great question "why burke the issue?" I suppose he has conveniently forgotten that the most convenient device and the most commonly resorted device of burking an issue is to appoint a Committee. When the experts have advised Government, when Government officers are ready to put forth arguments for upholding this Trade Agreement, why should they ask the House to consider it over and over again? Sir Girja Shankar Bajpai in his inimitable style of elocution and verbiage of words has reduced the whole of his arguments to three heads:

> first, has the Agreement inflicted any injury or is it potentially harmful;
>
> secondly, why has it failed to attain the expectations formed of it; and
>
> thirdly, will bilateral agreements help?

As regards the first, I do not know why he has put the question in the manner in which he has put it. Does it mean that everything that does not appear to be injurious, whether you want it or not, should hang on our heads and be removed only when it proves injurious? On the other hand, only if an agreement could be beneficial to our country, shall we want it. It would appear that it is our business to point out that the Agreement has inflicted an injury, and, therefore, is not necessary. No. It is their business to prove that it has not become prejudicial to us and ask for its continuance. The mere fact of his propounding the question in this manner proves that he has no positive case to put for continuing the Agreement.

With regard to the second question as to why it has failed to attain the expectations formed of it, it is again a frank admission that it did fail in the expectations formed of it. If so, why continue that which has failed in expectations on the ground that it would be fulfilled a few years hence?

With regard to the third question "will bilateral agreements help", as has been very pertinently interrupted by my Honourable friend, the Deputy Leader of my Party, this itself is a bilateral agreement. An agreement which is entered into between countries is a bilateral agreement. Probably, in one sense it is a unilateral agreement, because the advantages are all on one side, and the disadvantages on the other. Normally speaking, it is a bilateral agreement: therefore, when we say that this Agreement should be terminated, it does not mean that we do not want to enter into agreements with anybody. We are perfectly open to deal with such persons who want to enter into agreements with us. But why do we want to denounce this Agreement just now? The reason is this: the existence of this Agreement is acting as a warning against us to other countries that they should not approach us: the other countries are of opinion that we are bound to one party and that we are not free persons to act in the matter of these trade agreements with those countries. It is this hindrance to our entering into trade agreements with other countries that is sought to be removed by denouncing this bilateral trade Agreement.

With regard to the restrictions which other countries have imposed upon India along with other countries in respect of their imports, my Honourable friend, Sir Girja Shankar Bajpai, has very cleverly avoided tackling the question directly. It is undoubtedly true that in order to strengthen its own economic and commercial position each country, irrespective of whether it is India or some other country, imposed restrictions. It is exactly in that atmosphere that we are further handicapped. But I do not know if the Honourable Sir Girja Shankar Bajpai will trace from what date this process began. I suppose he mentioned 1934. Even before 1931 each country was preparing to impose restrictions upon others. The whole thing began in 1930; and as a matter of fact this Ottawa Conference is a result of each country trying to strengthen its economic position. Now, if it is true that each country would like to import only such articles of the value and volume of those articles corresponding to articles which they sell to other countries, it is all the more necessary that we should be able to sell to that country so much of goods as it will be possible for us to buy their goods. Now, it is said, "Supposing you enter into a trade agreement with Germany, France or Italy: what you will have to do is you will have to divert the trade from the United Kingdom to those countries. And what is the benefit?" The benefit is that we get their imports cheaper than the British goods. We are today

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paying higher for imports than what we should be paying, if this restriction is not there. Therefore, far from this Agreement being a positive benefit to us, it has become positively harmful. After all, who are the persons who have got to judge this matter? Are they not the merchants who have got to do it? Why should the Government unnecessarily take up the side of merchants who do not belong to this country and plead against the merchants of this country? When I am speaking of merchants of this country, I am not confining my phraseology to Indian merchants alone . . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has exceeded his time.

Mr. Sami Vencatachelam Chetty: I am aware the guillotine will come very soon. Sir, both Indian commercial men and European commercial men have suffered on account of this trade agreement. But if English Chambers of Commerce are not so very emphatic and so very pronounced upon this matter, it is there that the politics come in. So far from our introducing politics, it is the other side which is introducing politics. Both of us have suffered; both of us are suffering. The mere fact that they have not been quite emphatic either way shows that it was not merely commercial considerations that have induced them to keep silent over this matter. My Honourable friend, Mr. James, cannot finish a speech without throwing a fling against the Congress and its acts. That has become second nature to him. We are always destructive, he says. Now, where is the destruction? The destruction is the mere issue of notice of termination of agreement. What prevents him and his countrymen to come to India and negotiate another treaty which would be positively beneficial to this country? I do not want that this country should benefit at the expense of any country. Let there be an equal treatment: let there be really reciprocal preference which was the real motive at any rate in the beginning of this Ottawa Conference. From Imperial Preference it became inter-reciprocal conference . . . .

5 P.M.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has already had more than his share of time.

Mr. Sami Vencatachelam Chetty: I will close my remarks by drawing the attention of this House to the magnificent words of the Government of India of Lord Curzon's days:

"The Government would not be justified in embarking on a new policy which might involve reprisals by foreign nations unless assured of benefits greater and more certain than any which at that time present themselves."

This was no doubt mentioned in a somewhat milder form by the Honourable the Commerce Member, namely, that any agreement must be positively beneficial to this country; but the mildness of the language is due to the increasing association of Indians in the progressive realisation of responsible government in which is implicit dominion status!

The Assembly then adjourned till Eleven of the Clock on Saturday, the 28th March, 1936.

LEGISLATIVE ASSEMBLY.

Saturday, 28th March, 1936.

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

MOTION *RE* REPORT OF THE COMMITTEE TO CONSIDER THE INDIAN DELIMITATION (HAMMOND) COMMITTEE'S REPORT.

Mr. President (The Honourable Sir Abdur Rahim): Before Pandit Govind Ballabh Pant is called on to move the motion that stands in his name, the Chair is to point out to the House that, as arranged, today has been allotted for the discussion of the Delimitation Committee's Report. The Chair understands that there are a number of amendments to the motion in the names of different Honourable Members, and it is supposed some of them at least want to move their motions, but it must be clearly understood that there is no more time that can be allotted for the discussion. It is also understood that a meeting of the Central Advisory Committee for Railways has been fixed at 3 P.M. today, and that is a meeting in which, the Chair understands, a very large number of Honourable Members are interested. It was suggested to the Chair that the debate might continue till 2-30 P.M. That the Chair would not perhaps be able to agree to because of the interval for lunch. Under the circumstances, the Chair wishes to impress upon those Honourable Members who wish to take part in this debate that the debate must close at the usual time when we adjourn at quarter past one.

Then, as regards the time-limit, it has been suggested to the Chair that only ten or fifteen minutes' time should be allowed to each speaker. . . . . .

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Ten minutes.

Mr. President (The Honourable Sir Abdur Rahim): Well, if ten minutes will be enough, and if every Honourable Member will stick to that strictly, then it is possible to finish the debate. The Chair does not know if the Mover will be satisfied with fifteen minutes . . . .

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): On the outside.

Mr. President (The Honourable Sir Abdur Rahim): Very likely that will accommodate a large number of Honourable Members.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, may I make a statement before Pandit Govind Ballabh Pant moves his motion? I was asked yesterday by some Honourable Members on the opposite side as to whether a summary or anything was sent to England. I may inform them that after we received the Report of this Committee,

[Sir Nripendra Sircar.]

the next day, or rather on the day following, we sent a telegraphic summary of that Report to London, and we sent the whole of it by the next available air mail. I think Honourable Members have also noticed that the Orders in Council would also be discussed on the 30th March, so that I venture to suggest that, unless these motions are all finished today by 1-15 P.M., it really serves no purpose whatsoever to send them to England even by telegram. For my part I undertake to send through the Reforms Office today any motions which may be passed in this House.

Pandit Govind Ballabh Pant: Sir, I move:

"That the Report of the Committee appointed by the Assembly to examine the recommendations of the Indian Delimitation Committee be adopted".

Sir, I am glad to know that the Government have already sent a telegraphic summary of this Report to London. Sir, I make this motion with a certain amount of gratification. I am not unaware of the fact that, since the appointment of this Committee, the draft Orders in Council relating to the subject-matter of this motion have been placed before Parliament. I am all the same satisfied with the results that we have been able to achieve in the Committee. It was one of the biggest Committees appointed by this House. The number of Members came to about 20. Every school of thought in the country and in this House was represented in the Committee. The questions which came before it for consideration were of an intricate character, and in certain respects there could be a notion about conflict or divergence of interests. In spite of all that, the Committee has been able to produce a practically unanimous Report, and that is not altogether a mean achievement. It demonstrates, in a conclusive manner, that the Members of this House can rise above prejudice and passion; act in a genuine and generous spirit of give and take; adjust their differences fairly; and it augurs well for the future of the country. So, irrespective of the ultimate fate of the recommendations themselves, I appreciate the labours of the Committee, and if it be not presumptuous, I would offer my sincere thanks to every single Member of the Committee.

Sir, I trust that, in spite of the fact that the draft Orders in Council have already been laid before the House of Commons, His Majesty's Government will take into account the recommendations that are embodied in this Report. From the description that I have given of the way this Committee was constituted, its recommendations are entitled to considerable weight. It was in every way better acquainted with the state of affairs in this country than the Hammond Committee; it had a better perception of the duties that will devolve on the Legislature under the new Constitution and it could take full account of the various currents of thought and opinion in this country and of the requirements of the situation. After having considered all these factors, the Committee has arrived at certain conclusions, conclusions to which every member of the Committee was a party. I trust that His Majesty's Government will not spurn these proposals in the manner in which they have disregarded other proposals that emanated from this House or from non-officials in other cases. It is really a tragedy that, while talking of self-government, there should be a studied, cool, calculated endeavour to disregard the wishes of those in whose interest and for whose benefit that scheme is said to have been devised. It is really an irony that, on the one hand, we should be told that it is something which will place India very close to its destiny of a free State, and, on the other, even with regard to these matters, which do not touch the substance of the Constitution, but deal only with minor matters, the wishes of the people of this country should be disregarded. I hope and trust that sense will dawn upon those who are in a position to decide these matters, and that the recommendations of this Committee will be duly given effect to. I will look upon it as a test of the new Viceroy who is coming to this country—as to what weight he attaches to the opinion of this Committee. So far as the present Government are concerned, I do not expect that they will attach commensurate and adequate weight to the recommendations, as they have lost all sense of balance and proportion.

Sir, the recommendations of the Committee are confined to larger questions of common interest. The Committee has not, in spite of its knowledge that in details, too, the Report of the Hammond Committee is open to grave and serious objection, cared to express its opinion about those details. I personally believe, and I have credible information, so far as my own province is concerned, that, in the matter of delimitation of constituencies, as well as other cognate matters, a deliberate effort has been made to facilitate the entry of docile, pliable and subservient elements and to keep out men of sturdy, robust spirit. There has been an effort to devise the electoral scheme in such a manner as to facilitate the entry of the allies of the bureaucracy. But, we have, all the same, abstained from touching these matters of detail, though we are aware of the fact that even the principles enunciated by Provincial Governments, especially in the United Provinces, were not put into effect by them. The matters which deserve special consideration are those relating to the cumulative or the distributive vote, to the method of voting, to the manner of the delimitation of constituencies whether these should be single-member or multi-member, to the withdrawal of restrictions in the matter of the selection of candidates, and to other minor matters affecting qualifications for special constituencies. I think the distributive vote alone is in consonance with the spirit of the Poona Pact. After a primary election, it is unthinkable to have a cumulative vote; otherwise, the primary election is a meaningless and illusory farce. So, I think the cumulative vote should be replaced by the distributive vote. The cumulative vote is hardly distinguishable from the single non-transferable vote. Only in the case of the latter, that is to say, the cumulative vote instead of one, every vote is equal to two, but the ratio or the proportion between the scheduled part and the rest remains the same, with the result that the scheduled and non-scheduled castes will continue to be divided into separate airtight compartments. There is another matter as to the method of voting, especially in the United Provinces and the Punjab. It is provided in the Hammond Committee Report that the illiterate voters will declare their preference to the polling officer and the polling officer will make a mark. It will besides be open to the illiterate voter to take a friend with him and to enquire from the polling officer if the mark had been properly placed. Sir, freedom of vote and secrecy of ballot are needed, especially for protecting the voter against those who can coerce him or happen to be in a position to dominate over his will. This procedure is a mockery, a travesty and a parody of the system of voting by ballot. Whenever a person wants another man to vote for him and is in a position to dominate over him, he will ask him whether he is going to vote for him or his nominee. In case he refuses to do so, from that

[Pandit Govind Ballabh Pant.]

moment his harassment will begin. If he agrees, then he will depute his nominee to go with him, so that he may not vote otherwise. This procedure will certainly lead to the coercion of the illiterate voter. I think it is absolutely necessary, in case the Government have any intention of allowing the Legislature even to be partially representative of public opinion in this country, that the freedom of vote and the secrecy of the ballot should be fully ensured. With respect to these matters, the system of vote by coloured boxes with or without symbols is the best one and must be adopted. With these few observations, I commend this report to the House, and I hope that it will be adopted unanimously. I would, in the end, make a request to the various Movers of the amendments, whether they could not satisfy themselves with an expression of their opinion without pressing for these innumerable appendages to the report being made. I think if they do no more than express their opinion here on the floor of this House, the same purpose will be equally served.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Report of the Committee appointed by the Assembly to examine the recommendations of the Indian Delimitation Committee be adopted".

The Chair finds as many as nine amendments, but four of these stand in the name of two Honourable Members who were on this Committee and who have also appended separate notes, Pandit Nilakantha Das and Mr. Mathuradas Vissanji. The Chair wants to know whether any of these Honourable Members wants to move any amendment. Pandit Nilakantha Das's is the first motion.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, I find that I have no reason to move these particular amendments, though on one of them, the first, has been appended a supplemental note. But, in paragraph 2, sub-paragraph 3, the Committee say:

"In fact, we would strongly advocate this method of voting in all multi-member constituencies including those constituencies . . . "

Mr. President (The Honourable Sir Abdur Rahim): The Chair wants to know if the Honourable Member wants to move his first amendment.

Pandit Nilakantha Das: I am not moving, but I shall speak . . . .

Mr. President (The Honourable Sir Abdur Rahim): But he must take his chance. The Chair only wanted to know whether he wanted to move his amendment. Mr. Ghanshiam Singh Gupta.

Mr. Ghanshiam Singh Gupta (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I beg to move:

"That at the end of the motion, the following be added:

'With the following modifications:

'(*a*) In para. 4 of the report under head 'Women' the following shall be added:—

'Out of the four divisional headquarters in C. P. and Berar Raipur town alone should not have been left out. Raipur Municipality should be included with Jubbulpore and the name of the constituency be changed from Jubbulpore to Jubbulpore and Raipur.'

(*b*) In para. 5 of the report under head 'Landholders' after the words and figures 'Rs. 500 cess' the words and figures 'in C. P. to Rs. 1,500' be inserted'."

I heartily congratulate the Committee for producing this report. Unfortunately, in that Committee, probably there was no Member who represented the Central Provinces, and, therefore, certain very obvious things have been omitted from the report which intimately concern the Central Provinces.

Mr. B. Das (Orissa Division: Non-Muhammadan): Why did'nt you give evidence as I did?

Mr. Ghanshiam Singh Gupta: You were wise. Probably you were called to give evidence. In paragraph 5, under the head "Landlords", they have suggested modification in the case of the United Provinces from Rs. 10,000 to Rs. 2,500, and, in the case of Bihar, from Rs. 6,000 and Rs. 1,000 to Rs. 2,000. My Province of the Central Provinces is poor, and, if we do not diminish the qualification from Rs. 3,000 to Rs. 1,500, then the representation will be very meagre and the actual number of voters will be very small. I shall suggest that, in the Central Provinces, the qualification should be the payment of land revenue of Rs. 1,500, and not as at present Rs. 3,000. Even in the Provincial Committee, some of the Non-Official Members did recommend that the qualification of a landholder should be less than Rs. 3,000, and if this our Committee had known the conditions in the Central Provinces, it would very readily have reduced the figure from Rs. 3,000 to Rs. 1,500. I do not think that there can be any objection to this amendment. When they are reducing in the case of the other provinces, they may as well recommend in the case of the Central Provinces which is really very poor.

Now, the other point on which I wish to speak is about women. The recommendation of the Committee occurs at paragraph 5, and, unfortunately, there, again, their attention has not been directed to the case of the Central Provinces. In the Central Provinces, there are two seats allotted to women. One is given to the Nagpur Division and the other to the Jubbulpore Division. The town of Jubbulpore has been given one seat, and the town of Nagpur has been given another seat. The third seat has been given to the towns of Berar. Now, in the whole of the Central Provinces and Berar, there are four divisions, and Raipur is the headquarter of one of the Divisions. My submission is that, out of the four divisional headquarters in the Central Provinces and Berar, Raipur alone should not have been omitted. Therefore, the constituency which is called Jubbulpore should be changed into Jubbulpore and Raipur and the municipal committee of Raipur should also be given representation under the head women. This is so far as my amendment goes.

Now, I want to say something about the report itself. I wish to congratulate the Committee on one point, and that is about the cumulative versus the distributive vote. My humble opinion is that the cumulative vote defeats the very object of the Poona Pact for which Mahatma Gandhi risked his life, and, if the cumulative vote is not changed into distributive vote, the whole purpose of the Poona Pact will have been practically destroyed. The reason is this, that in a cumulative vote it cannot be

[Mr. Ghanshiam Singh Gupta.]

said that one section of the people do not give all their votes to the same class of candidates only. The whole object of the Poona Pact was that, both in the case of caste Hindus, as well as in the case of the so-called depressed classes, they should represent the whole of the Hindu community, or, more correctly, the whole of the non-Muhammadan community. If we stick to the cumulative vote, then it cannot be said that the members returned would really represent the whole of the non-Muhammadan constituency. Then, in the case of the cumulative votes, there is always an incentive to one community to ask all its members to give all their votes for a particular candidate of that community. In that case, the whole object of the Poona Pact would have been destroyed. . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has only one minute more.

Mr. Ghanshiam Singh Gupta: . . . . and the object for which Mahatma Gandhi risked his life would have been destroyed. I, therefore, very strongly recommend that this particular thing should be changed.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That at the end of the motion, the following be added :

'With the following modifications :

'(*a*) In para. 4 of the report under head 'Women' the following shall be added : -

'Out of the four divisional headquarters in C. P. and Berar Raipur town alone should not have been left out. Raipur Municipality should be included with Jubbulpore and the name of the constituency be changed from Jubbulpore to Jubbulpore and Raipur.'

(*b*) In para. 5 of the report under head 'Landholders' after the words and figures 'Rs. 500 cess' the words and figures 'in C. P. to Rs. 1,500' be inserted'."

Mr. President (The Honourable Sir Abdur Rahim): The next amendment is in the name of Mr. Sami Venkatachelam Chetty. Let the Honourable Member simply move it.

Mr. Sami Vencatachelam Chetty (Madras: Indian Commerce): Sir, I move:

"That the following be added at the end of the motion :

'subject to the following recommendations :

1. That the town of Tuticorin be accorded one Urban seat for the Provincial Legislature of Madras.
2. That it be recommended that in the qualification in the Commerce constituency for a candidate of a paid up capital of not less than rupees one lakh in respect of companies and assessment to income-tax on Rs. 10,000 derived from trade, commerce or industry in any one of the five income-tax years preceding the preparation of the electoral roll be reduced to Rs. 25,000 and Rs. 3,000, respectively.
3. That it be further recommended that any such qualified elector may before the preparation of the electoral roll nominate any other person being a member of the same chamber or association to exercise all the rights and duties appertaining to the elector including candidature for the Provincial and Federal Legislatures'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the following be added at the end of the motion :

'subject to the following *recommendations* :

1. That the town of Tuticorin be accorded one Urban seat for the Provincial Legislature of Madras.
2. That it be recommended that in the qualification in the Commerce constituency for a candidate of a paid up capital of not less than rupees one lakh in respect of companies and assessment to income-tax on Rs. 10,000 derived from trade, commerce or industry in any one of the five income-tax years preceding the preparation of the electoral roll be reduced to Rs. 25,000 and Rs. 3,000, respectively.
3. That it be further recommended that any such qualified elector may before the preparation of the electoral roll nominate any other person being a member of the same chamber or association to exercise all the rights and duties appertaining to the elector including candidature for the Provincial and Federal Legislatures'."

Mr. Mathuradas Vissanji: The Honourable Member was a member of the Select Committee and appended a note?

Mr. Mathuradas Vissanji (Indian Merchants' Chamber and Bureau: Indian Commerce): Yes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): The motion is to the same effect as the note?

Mr. Mathuradas Vissanji: Yes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): And still the Honourable Member wishes to move his amendment in the hope of carrying that amendment?

Mr. Mathuradas Vissanji: Yes, Sir, I wish to draw the attention of the House to an important subject.

Mr. President (The Honourable Sir Abdur Rahim): Very well. Mr. Vissanji.

Sardar Sant Singh (West Punjab: Sikh): On a point of order, Sir. As the time allotted for the discussion of this Report is very limited it is but fair that other Members who were not on the Committee should express their views on the subject first.

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member may have his chance. The Honourable Member Mr. Vissanji had better move his motion.

Mr. Mathuradas Vissanji: Sir, I beg to move:

"That at the end of the motion, the following be added :

'with the following modification, *viz.*—

'In the place of para. 10 of the Report the following be substituted, *viz* :

"The qualifications recommended by the Hammond Committee regarding voters as well as candidates from the Commerce constituencies, in Appendix to Chapter IX of the Hammond Committee's Report, be dropped; and,

[Mr. Mathuradas Vissanji.]

instead, the mere membership of the Commercial Organizations entitled to return representatives to the Central or Local Legislatures be deemed sufficient qualification both for voters and for candidates; and that, consequently, the modification of the Income Tax Law or Practice, recommended in Para. 430 of the Hammond Report; be dispensed with'."

Sir, I have appended a separate note to the Report of the Committee wherein I have stated all the arguments that are necessary for the introduction of this amendment. The only thing I want to say on the subject is that if the qualification that has been prescribed by the Hammond Committee will be carried into effect . . . . .

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The Chair simply wanted the Honourable Member to move his amendment now. Amendment moved:

"That at the end of the motion, the following be added:

'with the following modification, *viz.*:

'In the place of para. 10 of the Report the following be substituted, *viz.*:

'The qualifications recommended by the Hammond Committee regarding voters as well as candidates from the Commerce constituencies, in Appendix to Chapter IX of the Hammond Committee's Report; be dropped; and, instead, the mere membership of the Commercial Organizations entitled to return representatives to the Central or Local Legislatures be deemed sufficient qualification both for voters and for candidates; and that, consequently, the modification of the Income Tax Law or Practice, recommended in Para. 430 of the Hammond Report; be dispensed with'."

Dr. F. X. DeSouza (Nominated Non-Official): Sir, I beg to move:

"That at the end of the motion, the following be added:

'with the following modifications:

'(*a*) the following be added after para. 8 of the Report:

'Indian Christians, Madras.

1. One seat be given to Madras city and the remaining seven seats be divided between selected areas where the Christian population is concentrated, the Christians in the other areas voting in the general electorate.

2. The woman's seat go by rotation between the city of Madras, the municipalities of Tinnevelly, Palamcutta and Tuticorin forming one group and the municipalities of Mangalore, Calicut and Cannanore forming a third group.

Bombay.

3. The third Christian seat be given to the municipal boroughs of Ahmadnugger, Poona, Sholapur and Nasik'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That at the end of the motion, the following be added:

'with the following modifications:

'(*a*) the following be added after para. 8 of the Report:

'Indian Christians, Madras.

1. One seat be given to Madras city and the remaining seven seats be divided between selected areas where the Christian population is concentrated, the Christians in the other areas voting in the general electorate.

2. The woman's seat go by rotation between the city of Madras, the municipalities of Tinnevelly, Palamcutta and Tuticorin forming one group and the municipalities of Mangalore, Calicut and Cannanore forming a third group.

Bombay.

3. The third Christian seat be given to the municipal boroughs of Ahmadnugger, Poona, Sholapur and Nasik'."

Mr. President (The Honourable Sir Abdur Rahim): Mr. Bajoria.

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): Sir, there is a slight mistake in the amendment standing in my name, as printed in the list of amendments. Certain words have been omitted . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow any substantive amendment now.

Babu Baijnath Bajoria: There may have been a mistake in printing, Sir. In the fourth line of clause 1 of my amendment, after the word and figures "Rs. 2,000)" I wished to add the word "derived from trade, commerce or industry" . . . . .

Mr. President (The Honourable Sir Abdur Rahim): That is not a printing error. The Chair won't allow it; the Honourable Member had no right to say that it is a printing error.

Babu Baijnath Bajoria: Sir, I beg to move:

"That at the end of the motion, the following be added:

'with the following modifications:

'1. That it be recommended that the minimum qualification for an elector or a candidate in the Commerce Constituency should be a paid up capital of Rs. 25,000 in respect of companies and assessment to income-tax on Rs. 2,000 in any one of the five income-tax years preceding the preparation of electoral roll instead of Rs. 1,00,000 and Rs. 10,000, respectively as recommended by the Hammond Committee.

2. That the seat for Indian Commerce Constituency from Bengal for the Federal Assembly be allotted by rotation to the Bengal National Chamber of Commerce, Marwari Association, Indian Chamber of Commerce and the Muslim Chamber of Commerce instead of by formation of an electoral college of these bodies as proposed by the Hammond Committee'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That at the end of the motion, the following be added:

'with the following modifications:

'1. That it be recommended that the minimum qualification for an elector or a candidate in the Commerce Constituency should be a paid up capital of Rs. 25,000 in respect of companies and assessment to income-tax on Rs. 2,000 in any one of the five income-tax years preceding the preparation of electoral roll instead of Rs. 1,00,000 and Rs. 10,000, respectively as recommended by the Hammond Committee.

2. That the seat for Indian Commerce Constituency from Bengal for the Federal Assembly be allotted by rotation to the Bengal National Chamber of Commerce, Marwari Association, Indian Chamber of Commerce and the Muslim Chamber of Commerce instead of by formation of an electoral college of these bodies as proposed by the Hammond Committee'."

Mr. Mathuradas Vissanji: Sir I beg to move:

"That at the end of the motion, the following be added:

'with the modification that the Hammond Committee's recommendation in para. 436 of their Report (p. 160, Vol. I), that 'the Registering and Returning Officers should be Government Servants' be negatived, and the prevailing practice allowing the Commercial Association's own Secretary to function as the Registering and Returning Officers be adhered to'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That at the end of the motion, the following be added:

'with the modification that the Hammond Committee's recommendation in para. 436 of their Report (p. 160, Vol. I), that 'the Registering and Returning Officers should be Government Servants' be negatived, and the prevailing practice allowing the Commercial Association's own Secretary to function as the Registering and Returning Officers be adhered to'."

Rai Bahadur Seth Bhagchand Soni (Ajmer-Merwara: General): Sir, I beg to move:

"That at the end of the motion, the following be added:

'with the following modification:

'That it be recommended that educational qualifications for electors from Ajmer-Merwara constituency for Federal Assembly and the Council of State should be the same as for Delhi General Constituency and that qualification regarding rent should be lowered for voters of Ajmer-Merwara Constituency to the level of Delhi Constituency'."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That at the end of the motion, the following be added:

'with the following modification:

'That it be recommended that educational qualifications for electors from Ajmer-Merwara constituency for Federal Assembly and the Council of State should be the same as for Delhi General Constituency and that qualification regarding rent should be lowered for voters of Ajmer-Merwara Constituency to the level of Delhi Constituency'."

The debate will now proceed on the original motion as well as on the various amendments moved.

Sardar Sant Singh: Sir, a servant went up to his master on board a ship and put him the simple question: "Do you, Sir, call a thing to have been lost when you know where it is?" The master replied: "Certainly not". Then the servant informed his master: "Sir, your suit case lies at the bottom of the sea." Similar is the state of affairs with the discussion that is going on today. We have been supplied actually with the Orders in Council that have been placed by the Secretary of State before the House of Commons. We know that this Committee's report with all the amendments have been sent by air mail to the Secretary of State, and now we are asked to discuss this report and express our views. I wonder what will be the effect or the object of these views upon the decisions that have already been taken. These facts point to the unreality of the debate that we are holding today on the motion before the House, in spite of the appeal addressed by the Mover of the motion to the Secretary of State, both by way of reason to look into this debate with greater care on account of the fact that we, who are chiefly concerned to carry on the self-government in the country, should have our say in the matter in which the Provincial Assemblies are to be constituted. The Mover of the motion also held out a threat to the Secretary of State telling him that his disregard of the views of the House on this point would be the test whether they, in reality, are keen to see new Constitution working in this country. In spite of all these threats, we still feel and probably we are justified in feeling that this debate is not going to have any effect upon the Secretary of State. However, in the short time at my disposal, I want to refer to one matter in the report which to me seems to be of considerable importance and that is the method of recording votes. I find from the report, para. 740 and onward, that the various methods have been discussed by the Committee for recording the votes. The committee has discussed the merits and demerits of the various practices which are at present followed. For the United Provinces and for the Punjab, the Committee is in agreement with the opinions of the Government of both these Provinces that the ballot papers of the voters should be marked by the polling officers as is the system practised today in these two provinces. Well, in the case of the other Provinces, they recommend a change in the matter of the ballot papers. The first question that arises before us is why the United Provinces and the Punjab should be singled out. Why not a uniform practice be introduced throughout India? No reason has been given, but the report simply says, the United Provinces Government and the Punjab Government require that this practice should continue, and they agreed with the recommendations of both these Governments. We have had ample experience of recording of votes in the elections. We know that the polling officers I do not say the whole lot of them, a few of them are actually purchased by the candidates and the marking goes on not to express the will of the voter, but to express the pleasure of the officer who is there to mark those papers. This is certainly well-known in the Punjab circle. In the recent local board elections of Lyallpur, I personally know of a polling officer who marked the ballot papers against the wishes of the voters, with the result . . . . .

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Was the polling officer a Government servant?

Sardar Sant Singh: Yes; he was a Government officer.

Mr. N. M. Joshi (Nominated Non-Official): Did you purchase the Government officer?

Sardar Sant Singh: I say there are several persons who purchase. There is no doubt about that. My Honourable friend, Mr. Joshi, who sits quietly as a Nominated Member, has no experience of elections. He once goes to the Secretariat building and gets his nomination sanctioned, and he does not bother and he does not know what happens at the time of elections. Therefore, I say that this practice of allowing the ballot papers to be marked by the polling officers is a practice which should stand condemned, and the time has come when the secrecy of the ballot as well as the freedom of voting should be secured to the voter. I, therefore, suggest that for the Punjab, at any rate, the system of introducing coloured boxes for putting in coloured ballot papers as it is proposed for other Provinces should be adopted. I have nothing more to add.

Pandit Nilakantha Das: Sir, I shall only make two or three points in the report a little clearer. I may first point out that, in sub-para. 3 of para. 2 of this report, we have said that in all multi-member constituencies we advocate the system of distributive voting. These multi-member constituencies evidently include those for which single non-transferable voting has been proposed by the Hammond Committee. I should like to make this clear. Our Committee's recommendation, therefore, is that the method of single non-transferable vote also should be replaced by the method of distributive vote. This, our decision has also been made clearer in a supplemental note added to this report. There are only seven such constituencies in Bihar, two in Orissa for the Provincial Legislatures —and four Muhammadan seats in Madras one constituency for the Council of State. Seats in these constituencies only are to be elected by the method of single non-transferable vote. I will not expatiate here on the disadvantages of the single non-transferable vote. They are obvious. But I would urge that in these constituencies members should be elected by the distributive voting, and, if need be, to safeguard any special interests, reservation of seats might be provided. Otherwise, this system should entirely go, as it goes against all equitable principles of election.

Then, secondly, I would stress upon the nominated seat. It must also go. Our Committee have recommended its total abolition in the Legislative Assemblies. They have also said that Orissa alone should not be singled out. All seats in all other Provincial Legislative Assemblies are to be elected. In Orissa alone, out of five seats reserved for backward areas and tribes, four are proposed to be nominated. These nominated seats are again to be considered as the general seats according to the Schedule of the Act. In that case, these nominated members will have to elect representatives to the House of the Assembly. So the effect will be that, out of five members elected to the House of Assembly by the 60 Members in the Orissa Assembly, at least one, if not more, will be returned on account of these nominated Members, and will thus damage the contemplated representative character of the Central House of Assembly.

These nominated Members, again, will be taken to represent the interests of the backward tribes who are in the special responsibility of the Governor. These seats, again, will have to be nominated at the discretion of the Governor. Is it then to safeguard the Governor's special responsibility that this unusual indignity is inflicted on Orissa? Surely, the Governor's special responsibility should be considered enough safeguard. Why, then, is device for nominated Members a speciality for Orissa? It is undoubtedly a case of special injustice.

In the White Paper, the province of Orissa did not include the Vizagapatam portion of the backward area. Vizagapatam and Godavari agencies are 16,000 square miles of continuous backward area, and for this there was provided in the White Paper one seat for the backward tribes in Madras. In the Joint Select Committee's Report, 12,000 square miles of this area were cut away from Madras and added to Orissa. Only 4,000 square miles *i.e.*, the whole of Godavari Agency and a part of Vizagapatam Agency remained in Madras. The White Paper proposal for allocation of seats in several provinces were *in toto* accepted by the Act after the Joint Parliamentary Committee. Madras was allotted in the Act that one seat for the 4,000 sq. miles of backward area, which had been provided in the White Paper for all the 16,000 square miles. But, only in the case of Orissa, out of

the 49 general seats, three were taken away and reserved for the backward area, now taken over from Madras. Orissa got an addition of more than half her existing area, but no addition to the proposed number of seats. No seats were added. Even Madras did not give a seat to Orissa. She still retains that one seat for the remaining 4,000 square miles. It is the same area with the same civilisation and practically the same or quite similar tribes, as may be found from the White Paper on Excluded and Partially Excluded Areas. In Madras, again, this seat is elected. But, in Orissa, all these three seats and another perhaps in consideration of the contiguous Ganjam Agency Area—these four seats are proposed to be nominated at the discretion of the Governor.

This is a glaring case of injustice, and the reason is not perhaps far to seek. Perhaps Orissa is a homogeneous province, and this may have influenced our Local Government or the local authorities to report that, in the case of Orissa, there should be four seats out of 49 reserved for the Governor, four votes at least in the pockets of the Governor. I say this is a glaring injustice, and I strongly urge with our Committee for its redress.

The backward tribes in those areas, again, were hitherto enjoying right of franchise in principle. The terms of reference to the Delimitation Committee, moreover, never contemplated any nominated seats for these or any other areas or tribes. They say:

"A number of points still remain unsettled in connection with the electorates for the constituencies to represent special interests, such as commerce, industries, mining, planting, labour, landholders, university and backward areas and tribes"

Then, again:

"They (*His Majesty's Government*) would be glad also if in the case of the seats to represent special interests your committee should, if they find it necessary, include in their report proposals dealing with qualifications of voters, the conduct of the elections (including election inquiries) and qualifications necessary for candidature where no specific provision conveying these matters has been made in the Bill or its schedules."

Then, again:

"In particular it should be possible for your committee to perform a useful work of co-ordination in connection with the constituencies allotted to special interests . . . His Majesty's Government attach great importance to your committee's ensuring that it is fully informed of the views and wishes of the various interests for which representation is to be provided, particularly in the case of those interests such as scheduled classes, labour, women and the backward areas and tribes, for which specific provision has hitherto either been absent or has been made by means of nomination."

From this it is clear that nomination is entirely ruled out in all Provincial Lower Houses in the coming Constitution. Why, therefore, of all provinces, Orissa should be selected for four nominated seats, no one can understand, specially when the same class of people in Madras and C. P. are to be elected by constituencies. I press that this point should be reported to His Majesty's Government, particularly in the interests of the Central Legislature as well as in the interests of responsible Government in the Provinces, called Provincial Autonomy, where there is no place for nomination, and also because it disenfranchises people already enfranchised in principle, and because it does not occur in the terms of reference to the Delimitation Committee. This should be pressed upon His Majesty's Government, so that, in the draft Order, there may be made a suitable

[Pandit Nilakantha Das.]

change to provide constituencies and election for these four proposed nominated seats in Orissa. This in equity should be remedied. Orissa should not be unjustly singled out like this in a thing which is undoubtedly a major issue in a system of responsible Government.

Then, lastly, I would say a word about the Orissa Chamber of Commerce. Here they have not recommended it as a constituency and the reasons are fully given in the report. Their reason was that either the Chamber had not been formed, or, if it was in existence, they did not consider it well established. Since then, it has transpired that it was a long-standing institution and there is no reason why it should not be made into a constituency.

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I have already submitted my memorandum and supplementary note to the report of the Committee appointed to survey the recommendations of the Hammond Committee. My notes are probably sufficient, and I will not take much time of the House in making further comments except by way of an explanatory remark as to how I arrived at my conclusions. I have said that the landholders' constituency in Bihar should be created a multi-member constituency in the interest of the Muslim landholders. The viewpoint, as I have said in my memorandum, is this, that unless this constituency is created a multi-member constituency of the whole province, it eliminates all possible chances of Muslim landholders being ever represented. All through, it has been so, and we have not seen this constituency ever being represented by a Muslim landholder even in the past. In Bihar, we are only about 10 or 11 per cent., and there is very little or no chance of returning a member in the different Divisions as constituencies are proposed to be constituted, but there is a chance if plural voting is adopted, and the whole province is created one constituency as a multi-member constituency for the landholders of the province.

Now coming to the Commerce constituencies, I find to my greatest surprise that membership is considered to be no qualification for enfranchisement through a Chamber, and that a certain qualification has been arbitrarily fixed, for reasons better known to the authors of the Hammond Committee themselves. To me it appears that it is against all traditions, customs and laws which exist in other countries. I do not know any country as yet which has got a commercial constituency and has fixed a monetary qualification for franchise and has refused to recognise membership of a chamber a necessary qualification. In my humble opinion, I submit that the qualification for returning a member from the commercial constituencies should be the mere fact of membership to a commercial body recognised, and not the payment of income-tax or possessing a paid-up capital of one lakh of rupees, etc. The very fact that the Hammond Committee has allowed a registered firm with a capital of one lakh of rupees to be a member of the Chamber and to be eligible for voting is inconsistent with the fact that, in the case of private companies, they have laid down a law that they should pay an income-tax on an earning of over Rs 10,000. It is not very probable that, in these days of depression, a registered firm, with a capital of one lakh of rupees, would pay an income-tax on Rs. 10,000. If Government were at all keen in fixing up a qualification, they should have done so in consultation with commercial bodies

for both registered and unregistered firms, a qualification which would have been considered proper. I suggest that the mere fact of membership should be the only qualification; but if Government are keen and are anxious to fix up a qualification as a criterion, it should be a capital of Rs. 25,000 in the case of registered firms, and payment of income-tax on Rs. 2,500 within five years. In this, I have the support of my friend, Mr. Baijnath Bajoria, who is an important merchant and a Member of the Marwari Chamber of Commerce. I have also received letters from different Chambers, including the Muslim Chamber of Commerce, Calcutta, who resent this particular qualification and state that their rights have practically been trespassed and their privileges snatched away from them for no fault of theirs. The Chambers thought that under the new reforms they were going to get more representation and better rights and privileges, but the Committee report has come as a bolt from the blue. I do not know how and why and for what reason the merchant class has been considered to be the condemned class, and why in their case they have added an extra qualification besides membership. I may also stress upon the House the fact that it is absolutely necessary that representation should also be given to the smaller merchants, because, in many cases, the interests of the smaller traders differ from those of the big merchants in the sense that the stockholder's interests, the shipper's interests and the interests of the ordinary distributor initially differ. For instance, there is a class of merchants in export trade, called shippers or exporters, whose interests naturally differ from the class of stockholders (in big cities like Bombay, Calcutta or Delhi), or from those who are the actual buyers in small villages like tillers of soil and who collect small stock and send them to Calcutta for sale. The shippers, as representatives of the European countries, are always anxious to lower the prices ruling in this country, whereas the stockholders in this country, who advance and finance the small merchants, and the smaller merchants, who collect the merchandise first hand, are anxious to get better values and higher prices for their goods or stock. I think that the same applies to those who are importers. Again the interests of those who import directly from other countries differ from those who are in the class of stockists or distributors. For these reasons, I think that there should be no bar placed on the entry of the smaller merchants to the Legislative Assemblies.

Here, I wish to refer particularly to the question of the Federal Assembly and the representation given to the Muslim Chamber of Commerce, Calcutta. In my opinion, a gross injustice has been again done here in dealing with Muslim representation. The Hammond Committee proposed the creation of an Electoral College of fifteen, giving three members to the Indian Chamber of Commerce, Calcutta, six to the Bengal National Chamber of Commerce, three to the Marwari Chamber of Commerce, and three to the Muslim Chamber of Commerce. Without any intention of injuring anybody's feelings, I must say that this proportion is in the interests of none of the Chambers—at least I, as one for the Muslim Chamber of Commerce, Calcutta, candidly and conscientiously feel that every chance of our representation in the Federal Assembly has been eliminated by this proposal. We have seen what happened in the last election which took place in Calcutta for the Local Board of the Reserve Bank. Our representative, Mr. Ispahani, who is a merchant of great repute, and who was the only Muslim candidate for Calcutta Districts, was eliminated by a clique and combine arranged by Hindu brothers. Such things happen every day. Hindus are also my friends.

12 NOON.

[Mr. Muhammad Nauman.]

but it is better to state facts frankly. We feel that we will have no chance of representation with the proposed Electoral College in the Federal Assembly: that is to say, a member coming from the minority section will have probably no chance. In this connection, I may say how the Muslim Chamber of Commerce, Calcutta, came into existence. It came into existence not because we were very anxious to have it. We would have been quite willing to be merged with the Bengal Chamber of Commerce or the Indian Chamber of Commerce, but when we found that we were not given proper representation and not given proper facilities, we had to organise our separate existence and we made a representation to the Government of India that we should be considered as a separate Chamber. The proposal, which I have made in the memorandum, therefore, is that an electoral college of 26 members should be established, including Europeans and Indians, of the different Chambers—the Bengal Chamber of Commerce, the Indian Jute Mills Association, the Muslim Chamber of Commerce, the Indian Chamber of Commerce, the Bengal National Chamber of Commerce, and the Marwari Chamber of Commerce. As the Bengal Chamber of Commerce is the oldest of commercial organisations, I am willing to give them five seats, and the Indian Jute Mills Association also five seats, in the electoral college, the other four Indian Chambers to be given four each.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Mr. Muhammad Nauman: This electoral college of 26 is to elect three members for the Federal Assembly. That is the only way in which we feel we may have fair play and a chance of getting a seat in the Federal Assembly at the same time. With these few remarks, Sir, I resume my seat.

Mr. C. H. Witherington (Assam: European): Sir, I wish to refer to the suggestions made by the Assembly Committee in their Report regarding Labour seats in Assam—Members will find them in the Report in paragraph 8, sub-paragraphs (b), (c) and (d). I make these remarks in order to make it clear that I am not in agreement with the suggestions made by the Assembly Committee. The first suggestion made is that one of the four labour seats should be given to non-plantation workers especially those in the collieries, oil-fields and the railways. That is the first one with which I am in disagreement.

Now, the large majority of labour employed in the collieries and oil-fields is composed of ex-tea garden coolies who go to the collieries and oil-fields for limited periods of work. They form a floating labour force who do casual work, whereas the tea garden labour is a definitely settled and permanent labour community whose political rights I think few will question. This floating labour force was originally recruited from the same sources from which the tea garden labour was recruited. They are of the same castes, and I think that we can safely presume that they will have their interests completely and safely looked after by their own caste representatives who sit in the Legislatures. The collieries and the oil-fields and the labour employed on railways are widely scattered up and down the length and breadth of Assam with widely differing conditions,

according to where they are situated. It will be extremely difficult to elect a person to occupy the proposed seat who will be truly representative of all these widely divergent interests, to say nothing of the difficulty of the actual election carried out over such a wide area. According to the Hammond Report, there are 6,000 labourers employed in the collieries and oil-fields, whereas, in the tea-gardens, there are about one million people resident on the tea-garden lands, whose interest is essentially wrapped up in the tea-gardens. The four labour seats were allotted to the tea-garden labour as a means of representing the huge resident labour force, and dependants, which is recruited to Assam from other provinces and which would not otherwise have any representation. I think it would be a most unfair step to deprive tea-garden labour, this enormous resident labour community, of one of their seats in favour of the comparatively few labourers who work periodically in the collieries, railways and oil-fields.

Then, the next point is the suggestion to remove the restrictions both as regards the franchise being conferred on certain castes or tribes only and the residential qualification; and the committee proposes the extension of the right to all workers on the plantations whether residing there or not, regardless of caste or tribal or residential considerations. Now, this list of castes in the Hammond Report—specified castes for franchise and candidature—was devised obviously with the greatest care by the Hammond Committee and it embraces all the types of labour which are employed in the tea gardens. I can see no valid reasons why this list of castes should be eliminated, since it is solely the tea-garden labour which is to be enfranchised.

Then, as regards the residential qualification, those labourers who live outside the boundaries of the tea-gardens in the villages are enfranchised in the ordinary territorial constituencies by reason of their property qualifications. They may go to work occasionally from their villages to the nearest tea-garden in order to earn a little money when they want it; that is the only reason that they go to the tea gardens. Their interest is wrapped up chiefly in such subjects as Land Revenue, Forests, Roads and so on—subjects which the tea-garden labour representatives will not be concerned with; but they are subjects which the ordinary representatives in the territorial constituencies will be very much better able to deal with in the Legislature.

The next suggestion is that sardars and other members of the supervisory and recruiting staff in Assam should be disqualified from being candidates for the labour seats. This suggestion was evidently inspired by the fear that such people might be under the influence of their employers and would, therefore, be afraid of voicing any views which might be contrary to the wishes of the employer. I do not for a moment admit that this would be the case. But even if it was so, I see no reason why a sardar or any other member of the supervising staff in one garden, providing he was of the proper caste, should be debarred from offering himself as a candidate for any other labour constituency in Assam where he would be far removed from any possible influence of his employer. I think it would be a very unwise thing to deprive the labour constituencies of this valuable source of candidature which I feel sure will increase in its value and will be a means of a closer and a more true form of representation when this class of person has gained more political ability. The sardar is a man who, by his capability and propensity for leadership, has

[Mr. C. H. Witherington.]

worked himself up from the ranks of the ordinary labour, and he has, therefore, an intellect above the average of other labourers. Having served a long apprenticeship as an ordinary labourer he is fully conversant with the needs of labour and he has their confidence and respect. It would be a most unwise step to cut off this valuable potential supply of representation.

That is all I want to say on these points and I think I have made it clear on behalf of my constituency that we are not in agreement with this proposal.

Before I sit down, I want to refer to one other point in the Assembly Committee's Report: that is in section 6 (c) where a proposal is made that one of the Commerce seats in Bengal allotted to the Indian Tea Association or the Calcutta Trades Association should be given up in favour of a seat for the Bengal Mahajan Sabha. That question is very thoroughly dealt with in the report of the Hammond Committee, and I do not propose to endeavour to elaborate any of the arguments made in the Hammond Committee report. But I want to say this—and on this point I have the authority to speak on behalf of the European Group—that such a proposal runs contrary to the Communal Award, and we are definitely against the suggestion.

Dr. F. X. DeSouza: Mr. President, at the outset, I should like to state that the amendment which stands in my name should more properly have been discussed in committee and not before the whole House; but, unfortunately, no Member of the Indian Christian community was appointed to a seat on that committee and it was with painful surprise that I heard my Honourable friend, Pandit Govind Ballabh Pant, stating in his introductory remarks this morning that the Committee embraced every school of thought and political opinion in this country. Does the Honourable Member consider that the Indian Christian community have no place in the sun in the Indian political system? I expected better things from the representative of the Indian National Congress, especially as a member of my community has furnished the sole exception to the general rule—and has won a seat for the Congress in this Assembly in a general constituency: so, let him remember in future that we too have a place in the sun in any Committee that may be appointed.

After this preliminary observation, I have not got very much time—I have got three points to move, and I have hardly nine minutes in which to move them. The first point is that the Communal Award assigns eight seats to the Indian Christian community in the Madras Presidency and this is the provision in the Communal Award. I shall read it for the information of the House. It says:

> "It seems almost certain that practical difficulties will, except possibly in Madras, prevent the formation of Indian Christian constituencies covering the whole area of the province, and that, accordingly, special Indian Christian constituency will have to be formed only in one or two selected areas in the Province. Indian Christians in these areas will not vote in a general constituency. Indian Christian voters outside these areas will vote in general constituency."

This also was the proviso in the White Paper embodied in paragraph 5 in appendix III, and that was also the view expressed originally by the

Government of Madras in their communiqué, dated the 9th of May, 1933. This is what they said:

> "If the whole of the Presidency is divided up into seven rural constituencies, Madras City being constituted into an urban constituency, three or four districts will have to be clubbed together to form a constituency. Though the constituencies thus created will be less unwieldy in size than the present constituencies into which the presidency is divided, it will be a question for consideration whether the better arrangement will not be to adopt the scheme proposed in the Communal Award."

In spite of the provision of the Communal Award and the recommendations of the Joint Parliamentary Committee, in spite of the directions of the Parliament, the Hammond Committee have gone out of their way to divide the whole province of Madras into eight unwieldy constituencies. Now, Sir, what is the result? You are aware of what the Joint Parliamentary Committee said about the close contact there should be between the candidates and the voters. This is what they say:

> "It ought to be the happiness and glory of a representative—*this is a quotation from Edmund Burke*,—to live in the strictest union, the closest correspondence and the most unreserved communication with his constituents, their wishes ought to have great weight with him, their opinions high respect, and their business his unremitting attention."

In spite of this provision of the Joint Parliamentary Committee, the Report of the Hammond Committee say—"Oh, well, that does not matter very much." They say:

> "It is true that the constituencies thus formed will be extremely large, and any direct contact between the member and his constituents would be difficult."

Mind you, Sir, they have stated the difficulties, and how do they solve them? They say:

> "Yet even, so, this seems to us preferable to selecting certain areas, the allocation and size of which might be the subject of keen controversy."

In other words, this Committee which consisted of two learned Judges, one from Madras and the other from Lahore, shirked the consideration of this question, because it is a question that will involve keen controversy. Did they not in the course of their judicial career ever tackle questions which involved keen controversy? Sir, their reasons seem to me to be insufficient, they seem to be absolutely absurd, and, in my humble opinion, the original direction of the Communal Award and the provision of the Joint Parliamentary Committee's Report should have been followed, and selected areas in the Presidency of Madras where the Christian population is concentrated should have been selected for the Christian constituencies, and the rest of the Christian population in the other parts of the presidency should have been merged in the general electorate. By that means, Sir, two great ends would have been achieved. The first is that, according to the provision of the Communal Award, the Indian Christians would have furnished a sort of connecting link between the general and separate electorates, because those Christians living in the general electorate would have voted in the general electorate, and they could have been candidates for general electorates, as my friend, Mr. Aaron, in this House has been. So that that would have enlarged the field for candidature of Indian Christians. Also it would have

[Dr. F. X. DeSouza.]

afforded excellent educational facilities for the future when obviously separate electorates will have to go and the minorities will have to be represented in general electorates by reservation of seats. Therefore, I respectfully submit that my first point is that the allocation of seats in the general constituency for the eight candidates should be in accordance with the Madras Government's memorandum, dated the 15th July, 1935.

The second point is with regard to the one woman's seat. It is an extraordinary thing that Indian Christian women's seat has been confined for all time in a group of three municipal boroughs of Tuticorin, Palamcottah and Tinnevelly, boroughs which are situated in the backwaters of the Coromandal Coast. . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has only one minute more.

Dr. F. X. DeSouza: Therefore, Sir, I ask why should that one seat for women be confined to the municipal boroughs of these three places I have just mentioned? Will female political wisdom be ever confined to backwaters of the Coromandal? Are there not women with sufficient political enlightenment in the City of Madras and on the West Coast in the municipalities of Mangalore, Calicut and Cannanore who possess the requisite amount of enlightenment and political wisdom? Sir, in the west coast there are two first grade colleges for women, and there are many Christian women graduates, so far as I am aware. . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Dr. F. X. DeSouza: The last point which I should like to make. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member ought not to take any more time. There are a number of other speakers.

Dr. J. H. Hutton (Assam: Nominated Official): Mr. President, in intervening in this debate, I find myself, I fear, in rather an anomalous position. Although we appear to debate about the limitations of constituencies in the provinces, we are actually debating the delimitation of constituencies for the Central Legislature. The Local Government, therefore, can have no say in that, so that I cannot speak in any representative capacity and I must be taken as speaking as a sort of disembodied vote twittering in the limbo of the Government back Benches. I shall be very brief, Sir. I have only three points to make. The first relates to paragraph 7 of the Committee's recommendations. While I do not take any exception to the general principle enunciated, I should like to point out that we have in Assam nine constituencies representing, at least, seven different tribes and speaking at least six different languages. Some of them are scattered in different parts of the Province, and they cannot really be represented honestly by anybody but their own people. In the case of one or two of these tribes, they have had the misfortune to be included for many years in regulation districts, and they, therefore, received little attention. It will be very difficult at first to find suitable

representatives, and I think that it is really important that the representatives should be limited in their case to their own areas in order to give them a proper education and a demand for representation which will produce the supply in order that as soon as possible these tribes may be able to produce their own members. For that reason, I think it is desirable to start to maintain the residential qualification of candidates for those constituencies.

The second point that I wish to raise—and my Honourable friend, Mr. Witherington, has already dealt with it—relates to the labour of collieries and oil-fields. He has pointed out the difficulty of putting these into a single constituency and that much of the labour will already have been adequately represented by the tea garden labour representatives. I would add to that, that a great deal of the colliery labour, which is not tea garden, consists largely of persons who are non-Indians and non-British subjects. The colliery which I know best was, for many years, almost entirely staffed with Pathans from Afghanistan, Makranis from the Persian Gulf, and Gurkhas from Nepal, all of them a floating population with no permanent interests in the province, not forming any labour organisation, merely coming to earn money and go back to their homes outside India. And as far as protection against the employer is needed by these people, it seems to me from what I have seen of them, that a great deal more protection from them is needed by the employer.

The third point that I have to make is in regard to the Shillong constituency. In consultation with the Delimitation Committee the Local Government revised their opinion and agreed that Shillong should be represented by a single women's constituency. The reason is that Shillong at present has a special representation which it will lose entirely if it is not given some constituency under the new Constitution. It has 27,000 inhabitants as against 22,000 in Gauhati and 21,000 in Sylhet, and the women of Shillong have a very high standard of literacy and of emancipation and are very advanced in many other ways. In fact, I am not quite sure that my colleagues from Assam would not agree with me that some of them are very forward. I think it would be unfair to make Shillong town into a split constituency by adding to it Gauhati and Sylhet, which will be extremely inconvenient from an administrative point of view.

Mr. Sami Vencatachelam Chetty: On a point of order, Sir. I should like to be enlightened as to the procedure which you are adopting in regard to amendments which you permitted to be moved.

Mr. President (The Honourable Sir Abdur Rahim): That is no point of order. The Chair is following the ordinary practice. Sir Abdul Halim Ghuznavi.

Sir Abdul Halim Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): As one of the Vice-Presidents of the Muslim Chamber of Commerce, I want to place before this House their claim for a seat in the Federal Legislature. The Indian Franchise Committee laid down:

"The object of special representation of Commerce is essential to make expert knowledge available to the Legislatures and not to give any particular voting strength to individual interests."

[Sir Abdul Halim Ghuznavi.]

We stand by that object. We of the Muslim Chamber say that we occupy a unique and definite position in the commercial community. There is practically not a single item in the export and import trade of the province, in which the members of this Chamber are not interested. They hold the first position in the export of the principal commodities of Bengal, such as, raw and manufactured jute, rice, lac, shellac, tea, hides and skins, etc., among Indian merchants, while they are no less conspicuous in the import of salt, sugar, white oils, vegetable product, hosiery, glassware, fancy goods, fruit, etc. They are interested in tanning extensively and as industrialists manufacture jute fabrics, matches, shoes, soap, sugar, buttons and cigarettes and a variety of other goods. The members of this Chamber control about 75 per cent. of the coastal trade of Bengal and India, in which connection commitments for freight to the extent of over 1½ million tons are made by them annually with the shipping companies, principally, British, operating in Bengal. My point is this. According to the Delimitation Committee's report, I find the Government of Bengal have said:

"The Muslim Chamber has made out a case for representation on the merit of its functions and importance as a commercial body."

What is the position in the electoral college which will elect a member for the Central Legislature? The electoral college consists of fifteen members, the Bengal National Chamber has got six, the Marwari Association three, the Indian Chamber three and the Muslim Chamber three; that makes 15. There is not the ghost of a chance for a member of the Muslim Chamber getting a seat in the Central Legislature from this electoral college. We have got only three out of 15, and it is impossible even if we combine with any other Chamber,—it is only three: we will never get a chance, as against the Bengal National Chamber who, if they combine with any other, will make a higher number. If we are not allowed one seat separately which we claim, we should be allowed,—at any rate, the electoral college quota for the Muslim Chamber to be increased from three to six. That will give us a reasonable chance if we could combine with any other Chamber. Otherwise, it is hopeless to get a chance of having our own representative in the Central Legislature. The object is to have expert knowledge and the Muslim Chamber claims that in their members they have that expert knowledge which is essential to Government to carry on the administration of this country. As I have shown, it is hopeless to get any seat for the Muslim Chamber in the Central Legislature unless you raise the number from three to six, in which case we may have some chance. If that is not acceptable, I would support my Honourable friend, Mr. Nauman, in his note of dissent, where he has increased the number of seats to 26 giving all the Chambers a proportionate representation; then we could have a chance of having our own representative in the Central Legislature. Failing that, I would support my Honourable friend, Mr. Baijnath Bajoria, in his amendment. That gives us at least one chance by rotation. With these words I request that this also may be forwarded to His Majesty's Government.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I rise to say a few words in support of the recommendation of the Committee made in paragraph 6(c), where the Committee

recommend that one seat may be given to the Bengal Mahajan Sabha. My occasion for participating in this debate is that the Honourable Member from Assam has protested against this recommendation. As the report of the Committee states:

"This organisation is at present represented both in the Bengal Legislative Council and the Central Legislature; the Local Government did, in fact, recommend the continuance of this representation."

The Provincial Advisory Committee also recommended that the representation enjoyed should be continued. I should like to tell the House the grounds on which the Bengal Government have recommended that this representation should be continued. On page 100 of the report of the Government of Bengal, they say in paragraph 86:

"The claim of the Bengal Mahajan Sabha the Local Government also consider valid, and they, accordingly, propose that the seat this body enjoys at present should be continued. As already indicated, the Advisory Committee, at their first Session, were in favour of the Sabha sharing a seat alternatively with the Indian Mining Federation. This view was not supported at the second Session where there was no opposition to a full seat being allotted to the Sabha."

What follows is very important:

"The Bengal Mahajan Sabha represents two important interests—inland trade and indigenous banking. It is the only body in Bengal which does so, and there can be no question that these branches of Bengali business call for representation."

Later on, the paragraph proceeds to say:

"The Sabha is a well established and well-known body which has fully justified the seat granted it under the present Constitution."

The Delimitation Committee did not consider these arguments given by the Local Government in favour of the Sabha. On the contrary, the very first ground of the Delimitation Committee is this:

"In the first place, it is not clear whether the interests, which this body seeks to represent, are not sufficiently represented by the Bengal National Chamber."

On the contrary, the finding of the Local Government is that it is the only body in Bengal which does so and there can be no question that these branches of Bengali business call for representation. The point that arises in this connection, is, where to take this seat from. This is the case of an organisation which enjoys representation now, but which is sought to be disenfranchised under the recommendation of the Delimitation Committee. The position is this. So far as these Commerce seats are concerned, the Government of India Act does not make any provision as to the distribution of seats between European commerce and Indian commerce. All that is laid down in the Act is that 19 seats are to be allotted to Commerce. Under the existing Constitution, it appears that the Indian Tea Association had one seat and the Calcutta Trade Association also enjoy one seat, but the Delimitation Committee has given two seats to each one of these two bodies. It is proposed to add one more seat to the Bengal Chamber of Commerce. The whole question is: "Is it fair that the one seat that was enjoyed by the Bengal Mahajan Sabha should be taken away, and that additional seats should be given to these

[Mr. Akhil Chandra Datta.]

bodies?" So far as the Calcutta Trades Association and the Jute Mills Association are concerned, we find in the Report of the Delimitation Committee that between these two the membership is only 100. Therefore, I do claim that the request of the Bengal Mahajan Sabha is a modest one and that its representation should be continued and that one seat should be taken away from one or other of these two associations, namely, the Calcutta Trades Association or the Indian Tea Association. This is all I have to say.

Mr. Sami Vencatachelam Chetty: I only wish to say that the town of Tuticorin is a very important sea port town in the Madras Presidency. While similar towns have been accorded representation, it is a pity that this important town has been neglected. I would recommend that this town of Tuticorin be accorded one seat. With regard to the Commerce constituency, it has been stated by my Honourable friend, Mr. Nauman, that it was a mistake to have deprived the members of the Chambers of Commerce of representation. I am afraid he had misunderstood the recommendations of the Hammond Committee. It was only in the nature of an additional qualification that this income-tax qualification was imposed. Primarily one must be a member of the Chamber of Commerce. Secondly, he must also be paying a certain amount of income-tax. With regard to the income-tax qualification, I feel that the limit put by the Hammond Committee is rather too high for Indian Commerce, particularly in the Madras Presidency, where persons are comparatively poorer than in other Presidencies. The fixing of this high qualification would reduce the Chambers of Commerce into cliques and coteries. I would, therefore, recommend that this high limit of Rs. 10,000 be reduced to Rs. 2,500, and that, with regard to registered companies also, the paid up capital of one lakh of rupees be reduced to Rs. 25,000. There is no doubt considerable force in the note of dissent which my friend, Mr. Mathuradas Vissanji, has appended to this Report that, persons, who might be well versed in commercial matters, but, who for various reasons are not in a position to pay sufficient income-tax in order to come up to this qualification, would be deprived of the right of representation, and thereby Commerce might suffer for want of effective representation. In such cases, I would like that those who are competent candidates might be enabled to transfer their representation to other persons who are already members of the Chambers, so that their case may not go by default.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, I have very few words to add to my notes attached to this report or to what I have said before in this Honourable House. I, however, wish to reiterate the demand of my community that it is allowed postal voting in all provinces and not direct election, so as to use its voting strength to the best possible advantage. If the recommendation made in this report were carried out, *ie.*, multi-member constituencies in Karachi, the Anglo-Indian community in Sind would not have the ghost of a chance of representation in the Provincial Council. I leave aside all other communities, and may I, without causing offence to the European community, refer in more detail to their constituencies and seats. They have been allotted two seats in the general constituencies and one in the Chamber of Commerce. These two seats in the general constituencies are both confined

to Karachi, although electors may come from the rural parts of the province. A reference to Volume II of the Hammond Report shows that the population of Europeans in Sind is about six thousand and five hundred, and this includes British troops and those who were in the port of Karachi also when the census was taken in 1931.

Now, Sir, my point is this. If I am denied representation, as adumbrated in my note, I suggest the following. Sir, it is an undeniable fact that half or more of the 1,200 European electors in Karachi and Sind are Anglo-Indians. The Anglo-Indian and Domiciled European population in Sind today, excluding British troops, is over 7,000. Now, according to the new definition of "Anglo-Indian", he will not be able to vote for the two European constituencies, when the new Council is being formed. He will then have to vote for multi-member constituencies in the province of Sind and in the City of Karachi and which would practically be non-European and non-Anglo-Indian constituencies. Moreover, with the new Anglo-Indian definition enforced, the European electors would scarcely be 500, and the Anglo-Indians much more in number. I, therefore, put it to the European community to enter into a friendly agreement with the Anglo-Indian and Domiciled European community in Sind to this effect that they give us one seat out of their two general constituencies in Karachi and that that seat be located at Karachi and be voted for by the entire community in the Sind Province in which we number about seven thousand. I hope the European Group and the European community in Sind will sympathetically consider this matter, and, if they agree, let us come to an understanding and inform Government about it. That would afford my community a seat in the new Sind Provincial Council which it does not possess today. If this or something else is not done, my community would be entirely disenfranchised. Under the present Reforms, the community in Sind and Bombay was granted one seat in the Bombay Legislative Council, on the basis of the opinion expressed by the Assembly Committee that they are averse to disenfranchising existing constituencies, the Anglo-Indian community in Sind is entitled to ask that it be not disenfranchised in the future. Sir, the community I represent is much larger than the Europeans, and it holds a very important place in the Railways, Posts and Telegraphs and Customs and the Auxiliary Force in the province of Sind. The average tax paid by members of my community per head is almost equivalent to ten times the average tax *per capita* of the two major communities, and the entire community is literate.

I conclude with these words, Sir, and I do hope that my European friends will sympathetically consider the suggestion I have made; otherwise, I must ask the Honourable Member, who will present this debate to the Secretary of State for India, to press for a separate seat for the Anglo-Indian community on the lines indicated in my note.

Sir Cowasji Jehangir: Sir, this report has been most carefully considered by a Committee on which representative Members of all Groups in this House had seats, and, according to the convention of this Honourable House, naturally it will be the duty of those who sat on that Committee to support the recommendations of the Committee as they stand, and, therefore, I can understand Honourable Members desiring the House to know from their own lips certain amendments they would desire to make in the Report, but, having done that, may I now appeal to them, considering that it is five minutes to one, that either all the amendments be withdrawn or be rapidly put to the vote.

An Honourable Member: Withdrawal would be the best.

Sir Cowasji Jehangir: If we are all agreed that withdrawal would be the best, in the circumstances, Mr. President, I feel that the House will come to the conclusion that the members of the Committee have given all sections of the House a very fair hearing before they came to any final decision in the matter.

Mr. President (The Honourable Sir Abdur Rahim): As regards the Honourable Member, Rai Bahadur Seth Bhagchand Soni's amendment, the Chair allowed it to be moved, but attention of the Chair has been drawn to the fact that His Majesty's Government has already decided the point and it does not arise out of the report. It is, therefore, out of order. This also ought to have been brought to the notice of the Chair before.

Mr. N. V. Gadgil (Bombay Central Division: Non-Muhammadan Rural): Sir, the artificial division of the constituencies has done a great injustice to many provinces, and, particularly in Bombay, the injustice has been greater. Sir, the Southborough Committee in 1919 recommended that "at the time of the delimitation stage, one of the most important matters to be taken into consideration will be the desirability of making the representation of town and country in the Legislature proportionate to the population in each". As a matter of fact, under the present Constitution the urban population in the Bombay Presidency is 27 per cent and the representation is 23 per cent, but, in the Hammond Committee's Report, although the proportion of the urban population is 27 per cent, the seats work out to a proportion of 17 per cent. Out of 158 territorial seats, only 27 seats have been allotted to urban areas in the Bombay Presidency. In fact, on the population basis, which has been laid down as the criterion by the Southborough Committee, as I have just read out, 42 seats should have gone to the urban area. The reasons that seem to have prompted the Bombay Government are obvious to those that come from the Bombay Presidency. They want to cut down the representation of the urban areas as far as possible, although they have all agreed that intelligence, talent and political consciousness are much more available in the urban areas than in the rural. But their experience during the last five or six years in the matter of the Congress activities appears to have led them to represent that the urban representation should be further cut down, and the result is that greatest injustice has been done to the urban areas in the Bombay Presidency. Then, Sir, we have another very bad feature, so far as the Bombay Presidency is concerned, *viz.*, the multi-member constituency. I am glad the report that has been presented to this House has recommended that, excluding the city of Bombay which really stands on a very different footing, the principle of the single-member constituency should be accepted. As a matter of fact in the Draft Order, this principle has been accepted so far as the Madras Presidency is concerned. It is not merely a platitude to say that no constitution can work unless there are two parties and if the intention of the Government was that there should be some sort of a stable government, I think the multi-member constituency is the least calculated to fulfil that expectation. In the first place, whatever may be the object of the Communal Award, the result is going to be that it will be the greatest hindrance to the evolution of any system of party government in India. That is the first hindrance, and the second great hindrance, so far as the Bombay Presidency is concerned is this. Sir, a few days ago Bombay was in good company with

Madras, but Madras now appears to have fared better. Bombay still remains under the principle of a multi-member constituency, and although the Bombay Government say that there is at present no existence of a two-party system in Bombay and that is not very likely to come in the near future, I think, if they were really anxious for that, the remedy was not to propose multi-member constituencies, but the remedy was to propose single-member constituencies and I think, therefore, the fear that the Congress is very likely to capture most of the seats has been very greatly in evidence, and the result is this differentiation. The third point I wish to urge is about the university representation. The recommendation in the Draft Order is that those graduates who are of seven years' standing and are registered as such are alone entitled to be on the electorate roll. Now registration costs Rs. 10. I think there is no general constituency or a constituency of a similar nature anywhere which requires a payment before enrolment in the roll. That will, therefore, prevent many of the people who are really entitled to be on the roll from voting because there is registration fee. I think registration ought to go. The recommendations so far as they go in other matters and in other particulars are welcome.

Then, as regards women's constituency in the Bombay Presidency, one great injustice has been done to the Dharwar district. The Bombay Government recommended that one seat should be reserved for women in the southern division of the district of Dharwar, and that was a good recommendation as far as it went, although the Women's Associations in the Dharwar district desire that it should be allotted either to Gadag, Hubli or Dharwar—all three municipal towns—where women are more progressive and where women know the value of the franchise and are better organized. However, the recommendation of the Bombay Government was not entirely bad; somehow or other those who rule the ministerial *Gaddi* in the Bombay Presidency wanted a pocket borough for themselves and now that seat has been allotted to Rannibennur. This is not my criticism alone that I am ventilating. But the Women's organizations in the same district of the Bombay Presidency have said the same thing. What is far more important, the *Times of India* has criticized and it says it cannot explain this change from the southern division of the district of Dharwar to one particular *táluq* of Rannibennur. I say, if it were still possible, that seat which has been reserved for the women of Rannibennur *taluq* should at least go to the three municipal towns of Gadag, Hubli and Dharwar.

1 P.M.

The last point that I wish to urge is about the system of distributive voting. I am glad that it has been recommended and in fact it carries out the spirit of the Poona Pact much more than cumulative voting. In the words of my esteemed friend, Dr. Ambedkar:

> "The test is, I think, the final elections of the depressed classes must be part and parcel of the general election. Mutuality is the essence of the Pact and mutuality is the essence in the final election."

Therefore, if the cumulative system is accepted, there is the least likelihood of those who are not of the Scheduled castes giving or distributing their votes in favour of the scheduled caste candidates, but if the system of distributive voting is adopted, perforce those who belong to other sections will have to exercise their choice and select one of the four from the panel that has been elected as a result of the primary election. With these suggestions, I trust that motion for the adoption of the report will be carried.

Mr. President (The Honourable Sir Abdur Rahim): A suggestion has been made by the Honourable Member, Sir Cowasji Jehangir. The Chair would like to know from the Honourable Members, who have moved amendments, whether they want the question to be put on their amendments. If so, the Chair should conclude the debate now and put the amendments to vote.

Mr. Mathuradas Vissanji: If my withdrawing my amendment does not vitiate the note I have appended to the report, I should like to withdraw my amendment.

Some Honourable Members: No, it will not vitiate.

Mr. President (The Honourable Sir Abdur Rahim): The Chair takes it that no Honourable Member who moved amendments wishes any of those amendments to be put to the vote of the House.

Mr. M. S. Aney (Berar Representative): Then, it is taken that all these amendments are withdrawn?

Mr. President (The Honourable Sir Abdur Rahim): The Chair will, later on, put the motion for leave to withdraw the amendments. Now, the Chair calls upon another speaker to speak. Mr. Joshi.

Mr. N. M. Joshi: Mr. President, I should like to thank the Committee for accepting my suggestions which I had placed before the Committee as regards labour representation. The Committee has recommended that more seats should be given out of the total number of labour seats for Trade Union constituencies instead of special labour constituencies. As regards the Federal Legislature, I want that all the seats given to different Provinces, except to Assam, should be filled in by trade union constituencies. As regards Provincial Legislatures, I suggest that in Madras, at least one more seat should be given to trade union constituencies from the seats given to the provincial labour constituencies. In Bengal, two more seats should be given to trade union constituencies from the seats allotted to special labour constituencies. I would also like one more seat being given to Bihar trade union constituencies from the seats given to special labour constituencies. Similarly, in the Central Provinces one more seat should be given to trade union constituencies instead of to special labour constituencies. Besides this distribution of seats, in the Federal Legislature and in the Provincial Legislatures, I should like to make one or two suggestions for the acceptance of the House as regards labour representation. Those suggestions are embodied in a Minute which I have appended to the report. The first suggestion is, that in the case of railway men, where their unions are registered in one Province they are deprived of their votes in the other Provinces where their union is not registered. A Railway Union, on account of its very nature, is registered in one Province and its membership is extended over two or three and sometimes even four provinces. What the Hammond Committee has done is that a railway trade union will have representation in the Province in which it is registered. The members in other Provinces are practically disenfranchised. I, therefore, suggest that Trade Union constituencies are formed in other Provinces, the branches of the Railway Unions in those Provinces should get representation instead of their being disenfranchised.

That is one of the suggestions which I should like the House to adopt. Secondly, I have suggested the extension of the field for candidature for labour seats. What the Committee has recommended is that those people whose names appear on the electoral rolls of labour constituencies alone can become candidates. The Committee has recommended special labour constituencies of factory workers, for instance in Bengal. There are also some constituent trade unions in Bengal, but those constituent trade unions in Bengal are restricted to unions of water transport workers, that is, seamen and inland transport workers and also railway unions. Now, in Calcutta, there are various unions in every industry such as unions of Port Trust workers and the unions of workers in other industries such as match factories, and so on. These unions not only are deprived of sending a representative through Trade Union constituencies, but their members and officials will not be permitted from appearing as candidates for the special labour constituencies, with the result that candidates for special labour constituencies in Bengal must either come from factory workers themselves or from seamen and railway-men. The workers in other industries especially, who are members of trade unions in other industries, will have not only no chance of sending a representative of their own, but they cannot even stand as candidates for election for either a special constituency or a trade union constituency. I have made one or two other suggestions, but before I go to those suggestions, I should like to say one word in reply to my Honourable friend, Mr. Witherington, who referred to the representation of plantation labour in Assam. I should like to enter my emphatic protest against an employer's representative trying to interfere with the method of representation adopted for labour representatives. We never interfere with the method of representation of employers and I do not know, Sir, why employers, unless it is to their own interest that particular method of representation should be selected for representation of labour, should interfere in this business. Sir, he said that labour outside the plantations is floating labour. How can there be floating labour all over the mines and oil-fields of Assam? No mines can be worked with casual and floating labour; no oil-fields can be run with floating labour; and no railways can be worked with floating labour.

Mr. C. H. Witherington: Sir, on a point of personal explanation, I did not refer to railway labour as floating. And when I spoke of the labour in collieries being floating labour I meant that they went in for limited periods of employment.

Mr. N. M. Joshi: The rules themselves will lay down that unless a man has worked for 180 days in a year in the mines or oil-fields he will not get a vote. So, if the labour is really floating labour, they will not get votes. But surely no industry can be run on mere casual labour or floating labour.

Then, Sir, he tried to point out that those labourers who live outside the garden should not have any vote. Well, if a man is employed on a garden, what does it matter whether he lives on the plantation or outside, in order that he should get a vote? The only object of the planters insisting upon only the labourers living in plantations and on their lands getting votes is that the planters want control over labour representation.

Mr. C. H. Witherington: That is not so.

Mr. N. M. Joshi: Sir, this is a wicked thing, and I hope the House will not support such a thing.

Then, Sir, in all other provinces the committee has laid down a disqualification for candidates who stand from labour constituencies. They disqualify sardars and all people who hold supervisory authority over the labourers from standing as candidates. It is only in Assam that sardars and supervisors and recruiting officers can stand as candidates. Why is that so? If it is wrong for them to stand in any other province, why is it right in Assam only? The obvious object is that the planters want control, not only over their own representation, but over the representation of labour.

Mr. C. H. Witherington: Sir, I must rise on a point of personal explanation. That is not true, and I strongly refute the statement made by Mr. Joshi.

Mr. N. M. Joshi: The Honourable Member may refute my statement but I would ask him why, if, in all other Provinces, these sardars and supervising officers and recruiting officers are disqualified for standing from labour constituencies, in Assam only, they want these men to be candidates from these constituencies. Sir, I hope the Assembly and the British Parliament will accept all the suggestions which I have made for improving labour representation in the provinces and in the Federal Legislature.

(The amendments moved by Mr. Ghanshiam Singh Gupta, Mr. Sami Venkatachelam Chetty, Mr. Mathuradas Vissanji, Babu Baijnath Bajoria, and Rai Bahadur Seth Bhagchand Soni were, by leave of the Assembly, withdrawn. Dr. F. X DeSouza was not in his seat when his name was called, and, therefore, his amendment failed.)

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Report of the Committee appointed by the Assembly to examine the recommendations of the Indian Delimitation Committee be adopted."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 30th March, 1936.

LEGISLATIVE ASSEMBLY.

Monday, 30th March, 1936.

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

MEMBER SWORN.

Srijut Kuladhar Chaliha, M.L.A. (Assam Valley: Non-Muhammadan).

STATEMENTS LAID ON THE TABLE.

Information promised in reply to part (h) *of starred question No. 240 asked by Seth Haji Abdoola Haroon on the 11th February, 1936.*

EXPULSION OF INDIANS FROM IRAQ.

(*h*) There is no Treaty between His Majesty's Government and the Government of Iraq which could be held to cover the point referred to in the question but in guarantees given by Iraq to the League of Nations on her admission as a Member, Iraq undertook to respect all acquired rights.

Information promised in reply to starred questions Nos. 868 and 869 asked by Mr. Basanta Kumar Das on the 27th February, 1936.

CONFIRMATION OF THE TRAFFIC PROBATIONERS RECRUITED BY THE CALCUTTA PORT TRUST.

868. (*a*), (*b*) and (*c*). Of the seven probationers recruited in the Traffic Department of the Calcutta Port Commissioners in 1929, two are still unconfirmed. The Traffic Manager reported in May, 1934, that these two probationers had not shown much promise and that it was unlikely that they would qualify to take up supervising posts. The probationers have, however, since shown signs of improvement and are both officiating as Inspectors in the scale of Rs. 300—600.

RACIAL DISCRIMINATION IN THE CALCUTTA PORT TRUST.

869. (*a*) Government have no reason to believe that the position is as stated.

(*b*) No.

(*c*) The Commissioners are opposed to the system of departmental examinations on a *wide* principle because they do not consider that ability to secure high marks in examinations provides a correct indication of the capabilities of their employees in many Departments.

(*d*) (*i*) No.

(ii) Does not arise.

(*e*) Yes.

(*f*) So far as State-managed Railways are concerned, no departmental examinations are prescribed for officers holding charge of Districts.

As regards Company-managed Railways, Government have no information.

(*g*) Does not arise.

(*h*) Government are aware that the principle has been widely, but by no means universally adopted.

(*i*) No. The Government of India do not propose to interfere with the discretion vested in the Port Commissioners.

Information promised in reply to part (f) *of starred question No. 895 asked by Mr. K. L. Gauba on the 27th February, 1936.*

TRAFFIC PROBATIONERS RECRUITED BY THE CALCUTTA PORT TRUST.

(*f*) The posts were not advertised in view of the fact that qualifications of a technical nature were not required and because the Commissioners were in possession of as many as 88 applications from candidates who were apparently suitable for employment.

The considerations which led to the selection of the persons appointed were age, education, physical fitness, character, personality and general intelligence shown at a series of interviews.

Information promised in reply to starred question No. 1029 asked by Pandit Nilakantha Das on the 9th March, 1936.

FEE FOR THE SUPPLY OF TENDER SPECIFICATIONS.

(*a*) Yes, generally.

(*b*) Fees are charged on a graduated scale according to the value of contract.

(*c*) Not ordinarily. In exceptional cases (*e.g.*, when a demand is withdrawn) the fees are returned.

(*d*) The fees are levied in order to discourage indiscriminate tendering and to cover as far as possible the expenditure incurred in advertising and in the preparation of tender forms.

MOTION *RE* APPOINTMENT OF A COMMITTEE TO EXAMINE THE WORKING OF THE OTTAWA TRADE AGREEMENT—*concld.*

Mr. President (The Honourable Sir Abdur Rahim): The Chair desires to remind the House, before the discussion on the Ottawa Trade Agreement is resumed, that the debate will be continued on the same lines as on other days. To carry out the arrangement arrived at a meeting of the Leaders of Parties, it was understood that Sir Muhammad Zafrullah Khan will take about an hour to wind up the debate, which will otherwise be closed at about 4 o'clock.

Mr. T. A. Stewart (Commerce Secretary): Sir, I propose to confine my remarks to a few matters of detail which have arisen in the course of the debate and which may more conveniently be considered now than later in the course of the general summing up of the debate. I would take this early opportunity of referring to the suggestion of Dr. DeSouza that

our High Commissioner in London and the Trade Commissioner had been less solicitous of the interests they represent than similar officials representing other Colonies and Dominions. I should like to take this opportunity of saying that Sir Bhupendra Nath Mitra and his Assistants, Sir Harry Lindsay and Dr. Meek, have been unfailing in their endeavours to advance the interests of India. I think Dr. DeSouza will recognise that counsel cannot act without a brief, and, if the coffee industry will brief these officers of ours, he may be sure that they will do the best they can for it.

Strong exception was taken from the opposite benches to the statement of my Honourable friend, Mr. James, that the Federation of Indian Chambers had not co-operated with the Government of India before Ottawa. Now, the term "non-co-operation" may have in the past few years assumed some technical significance, and I do not propose to use that term. But I should like to tell the House what actually happened. On the 6th April, 1932, the Government of India issued a letter to all recognised Chambers and commercial associations referring them to Sir George Rainy's announcement in this House of the decision of the Government of India to participate in the Ottawa Conference. This letter set out very fully the reasons which had actuated the Government of India in taking this step, and it invited from all parties concerned their views and suggestions as to what might be done to guide and brief the Indian delegation. The reply of the Federation to this letter was a long one, but it contained not one concrete suggestion which was of the slightest use as a guide to the Indian delegation. Let me quote one sentence from that long letter which I think very fairly represents the whole trend of the letter. This extract runs as follows:

> "The Committee, therefore, request, that it is desirable in the interests both of Great Britain and of the Empire that the Government of India or their delegation to the Conference should not commit themselves to any policy, particularly to the application of the principle of Imperial Preference and reciprocity at this juncture, and that it should be left to the future popular Government of the country that would be constituted by the new Government of India Act to shape their policy regarding inter-imperial relations, including the application of reciprocal preferential tariff agreement in a manner as would best serve the interests of this country".

I leave it to the unprejudiced observer to decide whether this reply was really helpful to Government and whether it was dictated by political or by economic considerations. I think I may also say that, in these circumstances, it is hardly fair for Mr. Satyamurti to say that the Government of India had prepared a list of commodities on which preferences were desirable over the head of Indian public opinion.

Amongst other reasons for denouncing the Ottawa Trade Agreement, Mr. Joshi put forward a somewhat strange suggestion. His suggestion was that it was a sinister move on the part of His Majesty's Government. (*Cries of* "Hear, hear.")

Mr. N. M. Joshi (Nominated Non-Official): When did I say that?

Mr. T. A. Stewart: If Mr. Joshi will refer to the record of his speech, he will find that that was what he substantially meant to convey to this House. In support of his view, he quoted, without context, a statement made by Sir Samuel Hoare 3½ years after the event. Mr. Joshi has apparently a sharp nose for smelling the rat of Imperial domination—perhaps red herring would be a better term in the present instance. His

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thesis is that the Ottawa Agreement is a conspiracy to keep Empire raw materials within the Empire for political purposes. It must be admitted that those who oppose this Agreement give us a very wide choice. On the one hand, Mr. Joshi tries to get us to believe that we are being forced to sell our raw material to the United Kingdom; on the other hand, we are told that the United Kingdom is reluctant to buy from us.

May I turn for a moment to the case of tea? The tea preference is one which has been very largely discounted in this House, but I do not propose now to attempt another evaluation of what might be a loss to India by way of unemployment or a reduction of profits or actual loss on the working of the tea gardens. But I do put forward a very positive advantage which has accrued to the Indian tea industry from the conclusion of the Ottawa Trade Agreement. I think there are few in this House who will deny that the Indian Tea Control Scheme has been of great benefit to the Indian tea industry. In fact, it has been said, or suggested, that, in comparison with the Control Scheme, the Ottawa preference is of negligible importance. But, Sir, the tea control scheme would not have been possible but for the prior conclusion of the Ottawa Agreement. In 1931, by reason of uncontrolled production and marketing, tea prices in the world had fallen to absurd levels. They offered no fair return to any producer. The result was that competition in the tea market, which had formerly been not only a price competition, but a quality competition, lost all character of quality competition and was reduced to sheer cut throat competition. Java tea costing 2d. per pound less than the ordinary Indian qualities had an enormous advantage in such circumstances. That advantage was marked by very serious inroads on the United Kingdom market which had always been regarded as a very valuable preserve of the Indian producer. The result was that, in 1931, the Dutch producers were not inclined to come to terms. It was not until the Ottawa Agreement had been concluded, it was not until the tea preference had been arranged, that the Dutch producers were prepared to talk business and come to terms. The mention of tea brings to my mind a question which I might invite Mr. Das to answer. The Federation of Indian Chambers, in season and out of season, impress on the Government of India the vital necessity of consulting all commercial interests concerned. May I ask Mr. Das whether, in this particular instance, when the Federation composed its note on the Ottawa Agreement, did it practise what it has preached so often? Did the Federation consult the Indian Tea Association as to whether they thought that the preference was valuable or whether it was not? The Indian Tea Association had some reason to be consulted: they represent half the preference that was granted by the United Kingdom to India. . . . .

Mr. B. Das (Orissa Division: Non-Muhammadan): The Indian Tea Association is not a member of the Federation: they consulted the Jalpaiguri Tea Association.

Mr. T. A. Stewart: I take it then that there was no such consultation.

Mr. B. Das: Because it is affiliated to the Associated Chamber of Commerce.

Mr. T. A. Stewart: I would now, if I may, turn to an ingenious, and I might also say, ingenuous, argument by Seth Govind Das in which he attempted to show that the Ottawa Scheme of preferences had invited retaliation. I will ask the House to bear with me while I read an extract of what he said. I would be sorry to do any injustice to his argument. This is what he said:

"It is pointed out that the fall in our exports to other countries was not due to Ottawa preferences, but due to certain independent and inevitable causes and that India should on the contrary thank England for filling up this deficiency."

He goes on to attack this proposition: he says:

"But if that were so, why was it that our exports to other countries declined only in the case of preference articles and not in the case of non-preference goods? There was in fact an increase of about 950 lakhs in India's exports to other countries, so far as non-preference goods were concerned. Thus, our exports to other countries from the United Kingdom fell by 20 crores with reference to preferred articles and rose by 9·5 crores in non-preferred goods. This may be taken to be conclusive evidence of the fact that the increase in our exports to the United Kingdom amounting to about three crores has been instrumental in diminishing our export trade to other countries by about 20 crores."

That is his argument. I think it may be stated in a somewhat briefer form, namely, that, if a foreign country wishes to discriminate or to retaliate against India, it carefully chooses preferential articles leaving the non-preferential articles alone. A more reasonable view is surely that, if a foreign country wishes to retaliate against India, it will not discriminate between the preferential and non-preferential goods. The very fact that there has been a substantial increase in non-preferential exports to foreign countries is strong proof that there has, in fact, been no such thing as retaliation.

I would now refer to the proposal that India, with or without scrapping the Ottawa Agreement should enter into a series of negotiations with a view to the conclusion of trade agreements with many foreign countries. I do not propose to go over the ground that was so ably covered by my friend, Sir Girja Shankar Bajpai. I should merely like to mention a few practical difficulties which are likely to confront the Indian negotiator. First and foremost, there stands India's policy of industrial expansion,—the policy of discriminating protection which was adopted in this Assembly in 1923. I offer no criticism of that policy; it still is the accepted policy of the Government of India. But I would illustrate how difficult it is to reconcile that policy with a policy of foreign trade expansion based on the negotiation of trade agreements with other countries. It will be conceded that it is axiomatic that, if one country wishes to conclude a trade agreement with another, it must go to the other party prepared to give something away; but that is not enough; the something must be something that the other country is prepared to accept. What has India to give away? Let us examine a few cases.

Let us take France. Whatever the negotiator may be prepared to offer to France, I can assure him that there is only one thing—well, if not only one thing, then the one thing above all that France wants from us. In the period just after the War, France sent to India gold and silver thread valued at as much as 65 lakhs: it was the second most important item in her export trade to India, the other item being wines and spirits. What is the extent of France's exports of that commodity to India now? 3½ lakhs. The restoration of trade in gold thread with India is a matter

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which France has placed in the forefront of her trade relations with India. Is India prepared to repeal the protective duty that is now imposed on gold thread?

Let us come to Holland. In the pre-protection days, Holland sent to India cotton piece-goods worth a crore in value. These have shrunk to 13 lakhs. That is an item of trade which Holland would like to recover. Are you prepared to make her any concession?

Now, let us turn to another country, the Netherlands East Indies. Before the War, they sent us nine crores worth of sugar, and took a very considerable amount of rice in return. Are we in a position to do a deal so long as the policy of discriminating protection is in existence? Are we able to do a deal in rice for sugar? I think we are not. Turn to Sweden. In 1923-24, she sent us 68 lakhs worth of matches. Last year's imports were valued at Rs. 20,000. What I have said of those commodities and those countries apply with equal force to other commodities and other countries,—steel from Belgium, silk, artificial silk and cotton piecegoods from Italy, steel and cotton piece-goods from Germany and the United States. It is obvious, Sir, that if there is to be any programme, any consistent programme, of expansion of our foreign trade by the negotiation of treaties with foreign countries, it behoves us to consider and weigh what are the relative advantages of the two theories. In any case, I consider that the figures which I have quoted are enough to demonstrate that it is not merely a matter of a facile formula. There are also other difficulties in our way. There may be no basis of exchange. Let me illustrate that point from the South American Latin Republics. These Republics, such as Brazil and the Argentine, have been very valuable customers of ours in respect of our jute manufactures. It is true that trade depression and their own exchange and financial embarrassments have contracted our trade to some extent, but what is the deal that we can do with them? You may ask them to take more of our jute manufactures, what can you take from them? Linseed, wheat or beef from the Argentine or coffee from Brazil? I think there is "nothing doing".

One final example, Sir, Spain. We are interested in the exports to Spain of raw cotton, raw jute and raw hides. In return the most important commodity we take is saffron, which amounts to something like 40 per cent. of Spain's export trade to India. Saffron, as you know, is a dyeing substance largely used for the dyeing of the clothes worn by the ascetics in India. Our delegation will go to Spain, they will say to Spain, buy more jute, buy more cotton. Spain will say in return—What are you prepared to do for our saffron? The answer can only be that, in the next few years, it is hoped that a higher proportion of the population of India will forsake the world and adopt a religious life! ("Hear, hear" from Opposition Benches.)

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): Mr. President, it was a favourite saying of Napoleon that Providence was on the side of big battalions. I trust, Sir, that on this occasion Providence will not be on the side of big battalions.

An Honourable Member: Hoping against hope.

Sir H. P. Mody: Sir, we have had a debate during the last two days on which the House can legitimately congratulate itself. There has been an appreciation of the importance of the issues which are before the House, and the tone and temper of the discussions have left nothing to be desired so far. But, Sir, with all the expenditure of missionary zeal on both sides, I doubt whether there has been a single convert. It is true that some people have talked of open minds, but they remind me of a rather irreverent saying which I will resist the temptation of quoting, because it might be misunderstood. . . .

An Honourable Member: Oh, no, we don't mind!

Sir H. P. Mody: Then, I would say that, when some people talk of open minds, they mistake a vacancy for an opening. ("Hear, hear" from Opposition Benches.) And, there is another saying also in this connection, "some open minds ought to be closed down for repairs". ("Hear, hear" from Opposition Benches.)

Sir, now there are only two issues before the House. The first is, has the Agreement been beneficial or otherwise, and the second is, would any injury result to this country if it were denounced? Before I proceed to tackle these issues, I would like to say a few words about the background of Ottawa. What is Ottawa? Ottawa, in my opinion, was a measure of self-defence in a time of abnormality, and justified on that single account if not on any other. I would like the House to just consider what restrictions were already in force before Ottawa came in. Quotas, prohibitions and State monopolies had been introduced by Czechoslovakia, France, Italy, the Netherlands, Turkey, Denmark, Poland, Japan, Sweden and some smaller countries. Increased duties had come into force in Great Britain, Austria, Australia, Argentine, Belgium, Denmark, France, India, Italy, Poland, South Africa, and customs sur-taxes had been imposed by Canada and France. Sir, it was in the midst of a world which had been ringed in, that Ottawa came in as a measure of self-defence.

An Honourable Member from Opposition Benches: Nonsense.

Sir H. P. Mody: If that is my friend's only contribution to the debate, he can congratulate himself on it. Sir, the world trade at the time that Ottawa came in was already reduced to 74 per cent., taking 1929 as 100. Now, what do the figures show? I am not going to concern myself with details like coffee, cocoanut, linseed or groundnut. I am going to deal with the larger issues and with the larger figures. But I may say in passing, with great respect to my friend, Dr. DeSouza, that his standpoint on this issue does not seem to me to be at all correct. Assuming for a moment that the commodity in which he is most interested, coffee, has not benefited to the extent to which it might have,—I certainly refuse to believe that in any event it could have actually suffered,—I say assuming that the full benefit did not accrue to that commodity, he is here as a Member of the Legislature, and not as one who is interested in a particular commodity, and it is the Agreement as a whole, which has got to be considered.

An Honourable Member: What about the Merchants' Chamber?

Sir H. P. Mody: Now, Sir. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better not attend to these running comments.

Sir H. P. Mody: Very well, Sir. If they don't spare me these running comments, they will get the worst of it.

Sir, let me take a few of the larger figures. I take as my basic year 1932-33 for the purposes of comparison.

An Honourable Member: Why not 1921?

Sir H. P. Mody: Certainly not, because that would be a most fallacious comparison.

Now, the exports for 1932-33 were 136 crores. They went up to 150 crores in the next year and to 154 crores the year after, and, on the 11 months' figure which I have obtained, the total for 1935-36 promises to be 162 crores. I ask my friends whether they are going to challenge these figures. We have heard a great deal about the injury which has been inflicted on the export trade of India, but here are definite figures. I will now take the preferred articles. In Great Britain, we have gained an advantage of something like Rs. 7 crores. It was said that that advantage was more than offset by what we lost to other countries. My submission is that, on the seven months figures which we have got, that conclusion is not borne out; I arrive at a figure of Rs. 64 crores, which is very little less than what we had in 1932-33. Now, I would like to say one thing. I take 1932-33 so far as exports are concerned, in spite of the fact that that is a year which goes against my case. For a part of the year, even before Ottawa, certain preferences were in force, and therefore, the exports had already begun to look up. Still, I say, even on the basis of those figures, our export trade in preferred articles shows a positive gain in the United Kingdom market and a slight rise in the other markets. What is the position with regard to non-preferred articles? The fact is that from Rs. 7 crores—I am giving you round figures—the latest figures, on the basis of seven months, promise to show a total of nearly 11 crores. In foreign countries—and that is a point which has been repeatedly brought out, and quite rightly, based as it was upon the figures available to the public—in foreign countries, I say, our exports in 1932-33 were Rs. 31 crores, which went up to Rs. 46 crores in 1934-35. On that, I admit, a very legitimate argument was built up. It was said, "What is the use of this preference if in non-preferred articles our trade has gone up enormously?" Let me again, take the latest figures, and they show a rather different tale. 1935-36, if I take the estimate of seven months, will show an export to foreign countries of only Rs. 41 crores. My Honourable friend, Dr. Matthai, the other day, very clearly explained why it was that exports had gone up in non-preferred articles to foreign countries. He said that our position there was less vulnerable than in preferred articles. But there is another factor, and that is that whereas Japan took in 1933-34 Rs. 11 crores worth of cotton, in the following year her takings were Rs. 21 crores. In other words, practically the whole of this large increase, which had taken place in non-preferred articles to foreign countries, was due to the increased takings by Japan of Indian cotton.

As regards imports, the figures have remained stationary in the neighbourhood of Rs. 132 crores; so, I am not going to deal with them. I deal now with what is of more importance, and that is, the balance of trade. What was the balance of trade in 1932-33? Rs. 4 crores. That illustrates the point which I want to drive in, and that is, that we had, by the time Ottawa was being negotiated, arrived at a stage when the effects of world depression had been felt and India had suffered in consequence. On account of quota restrictions, exchange difficulties, currency manipulation and the like, world trade had undergone a sharp decline, and India shared in that decline, with the result that in 1932-33 the balance of trade was only Rs. 4 crores. But, in 1933-34, it went up to 35 crores; in 1934-35, 22 crores; in 1935-36 (10 months' figures), 25·8 crores. It may be that the balance of trade that we have even today is not sufficient for our home charges and commitments. That may be, but to use this as an argument for condemning Ottawa does not seem to me to be logical at all.

Then, there is just one more figure, and that is, how India stands in relation to world trade. In 1932, the index figure of world trade was 74, it went up in 1934 to 77·5. Indian figures—1932, 75, and 1934-35, 86. So even from the point of view of our relation to world trade, we have not only not lost ground, but have actually gained. I say, therefore, the figures do not justify the conclusions which have been reached by the critics of Ottawa.

Now, Sir, we have heard a great deal about retaliation by foreign countries. This, in spite of the fact that it has over and over again been pointed out in the course of these two days' debate that the restrictions which have been imposed in various countries have been imposed, not because of India's action in allying herself with Great Britain at Ottawa, but in defence of exchanges, or for protection of agriculture and industry, or for redressing of the balance of trade. Another factor also has been pointed out very clearly, and that is, these restrictions have been made equally applicable to all. And a third important factor is that foreign countries could have no reason for complaint, because, even today, in spite of Ottawa, as much as Rs. 95 crores market, out of a total of Rs. 130 crores, is open to them, and in which they can compete on equal terms with any country, even the United Kingdom.

Sir, I have tried to show that neither the export trade nor the balance of trade has suffered and that foreign countries have no excuse for retaliation. What have we secured on the positive side? We have, first of all, secured a preferred market with India's most important customer. I draw my Honourable friends' attention to this particular point. The export trade from India to Great Britain, taken as percentages, was pre-War, 23—1930-31, 23—1931-32, 27—1932-33, 28—latest figures, 31. Whether you take the last few years of depression or the pre-War years, Great Britain has undoubtedly been our best and most stable customer, a customer who is increasingly taking more and more from this country. From that point of view, I am right in contending that we have, if we have done nothing else, secured at least this, that the largest proportion of our trade has been secured against the economic disturbances which are so prevalent throughout the world. Look at what is happening today with regard to the franc, look at what happened with regard to the Dutch currency. Even today many countries are faced with an economic crisis, and no one knows what the outcome may be. The world is still far from being right, and, if, at a time like this when we do not know what action may be adopted in foreign countries against us, not by way

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of retaliation, but simply in self-defence, the fact that we obtained security for the largest portion of our trade cannot possibly be ignored. Do not forget that Great Britain is not only our best and most stable customer, but that it has the least import restrictions. There are very few licenses, certificates of origin, or the like. It is a market to which goods can be sent without any of those harassing restrictions which are clogging international trade today. Finally, the advantage of having relations with a country whose currency stands out today as the most solid thing in a world of shifting sands cannot be exaggerated. From all these points of view, I say, it is irrelevant to argue that the Dominions have got a better bargain than India. Assuming for a moment that is so, what does it mean? That is only an argument for revising the Agreement. If you think that some other country has got a better advantage than you have, then you have a good case for going up to Great Britain and saying: "We want equal advantages". You are only concerned with this—whether Ottawa has hurt you or otherwise. That is your only concern. If, on the figures I have produced before you, the conclusion is irresistible that you have benefited, though not to the full extent of your expectations, I say, there is no point in the argument that other people may have benefited more.

Now, Sir, the next relevant consideration is, what would happen if these preferences were lost. Here is an important point to which I invite the attention of my Honourable friends. Supposing all these preferences were done away with as a result of our denunciation, what would happen would be that we would be at a disadvantage in the market of our best customer without any corresponding advantage in foreign countries. That is an important consideration. You would be at a disadvantage in the U. K. in competition with foreign markets. Here, Sir, I am quoting the testimony of one who was invited as an expert in 1932 and who had condemned at that time the Ottawa Agreement. I refer to Mr. Ghosh's latest booklet on the subject, page 88. He says:

"During these three years our position in non-British markets has deteriorated partly in consequence of British tariff and Imperial Preference and partly as a result of other factors making for bilateralism in international trade. Most of these impediments to the free flow of international trade, even some of those which were provoked into existence by the Ottawa Agreements, will continue to influence its course long after we have left the British preferential fraternity, so that though we might improve our position in neutral markets somewhat, the improvement will not be large enough to offset our probable loss in United Kingdom."

Now, it may be argued that we, as exporters of commodities that the world needs, have a position of advantage. I am not denying that, nor suggesting for a moment that, if we gave away these preferences, there would be retaliatory action on the part of Great Britain. My only point is this—that if you throw away this Agreement, then you would be at a disadvantage in the U. K. market, and many commodities would suffer a very considerable handicap. In this connection, I would like to refer to the argument of the Federation of Indian Chambers of Commerce on page 70 of their Memorandum. There they talk of the devaluation which has taken place in foreign countries *vis-à-vis* India, and they say that while India's currency has devaluated only to the extent of 40, Australia is 58, New Zealand 52, Argentine 64, and Brazil 69. If it is true that today

you are not able to compete against these countries, how are you going to do so when you give up the preferences which you enjoy in the U. K. market? I do not see the argument at all.

Here, I will say a word or two about bilateral agreements. My Honourable friend, Mr. Stewart, dealt with the question a few minutes ago, and, the other day, my Honourable friend, Sir Girja Shankar Bajpai, in a very able speech, discussed the question fully. I would only say this, that when you think in terms of bilateral agreements, please do not forget that they are only possible in respect of a very few selected articles. And if you have bilateral agreements, the most favoured nation treatment which has been accorded to us by so many countries would have to go. Suppose you went to Germany and said "You buy our cotton and we will give your machinery special treatment in our market". That would mean that if you went to France or to Italy with some other proposal, they would say "You must take our machinery also on the same terms". I repeat that bilateral agreements on a large scale or in respect of a large number of commodities are entirely out of the question.

Another consideration is that the balance of trade in favour of India, taking all the foreign countries together, is between 15 and 20 crores of rupees. Again, I refer to the Federation's case, as given on page 15. It shows that the balance of trade in relation to the Netherlands, Belgium, France, Italy, Japan, the United States of America, and the British Empire, excluding U. K. is in favour of India. How can you then go to foreign countries? They will say "What have you to offer?" Sir, it should be known to those, who are in touch with events, that quite recently the Government of India have been trying to negotiate some sort of a settlement with several countries where import restrictions have vitally affected the trade of India. Take Turkey, for instance. India exports to Turkey 36 lakhs of rupees worth of stuff, and India takes only about a lakh. What is the basis of negotiation?

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): None.

Sir H. P. Mody: Therefore, it is that we have not been able to negotiate any settlement with Turkey, and, for similar reasons, with Iran, Germany and Italy. Why is it that we have not been able to negotiate bilateral agreements with all these countries?

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Because of Ottawa.

Sir H. P. Mody: No, because of the consideration which I have pointed out.

Now, what would termination mean? Termination would mean that you would advertise to Great Britain and the world that you do not want an economic arrangement with the U. K.

Mr. S. Satyamurti: No. That is a misrepresentation.

Sir H. P. Mody: If that were not so, then there is no reason or logic in terminating the Agreement. I say "Negotiate and revise". I will illustrate my point to my friend, Mr. Satyamurti, in this way. Supposing that he and I had an agreement between ourselves, I to supply him

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with those beautiful *dhoties*, very cheap, for which Bombay is famous, and he to supply me with the coffee and curry powder which seem to constitute the chief claim of Madras to distinction. Well, Sir, supposing I went up to my friend there and said "I am going to tear up this Agreement; it is not much use to me; you are not taking enough of my *dhoties*, whereas I am being saturated with your curry powder". Mr. Satyamurti would say: "My dear fellow, don't be so unreasonable. I promise to revise the agreement. I will take more of your *dhoties*. Let us sit down and thrash it out".

An Honourable Member: Exactly.

Sir H. P. Mody: But you are not thrashing it out.

An Honourable Member: First terminate.

Sir H. P. Mody: I will take another simile. You say to your wife "Well, we are not getting on too well; you are having the last word on every subject and getting the better of the bargain; I am going to have a divorce, but don't be afraid, I am going to marry you again". (Laughter.) Sir, is there any logic about it?

Mr. S. Satyamurti: "We are going to give notice of divorce, not divorce".

Sir H. P. Mody: Why then threaten the poor girl with a notice of divorce".

Mr. M. A. Jinnah: She might come to her senses. (Laughter.)

Sir H. P. Mody: Now, Sir, I was going to say that termination, apart from its psychological effect on the minds of responsible people in the United Kingdom, would also create a very considerable amount of uncertainty and dislocation of trade. I prophesy we would lose, for a certainty, the free market we have for jute manufactures and carpets, for one thing; because, no longer will you be able to get that advantage again, since quite a number of protests have been raised by manufacturers of those articles in the U. K.

Mr. S. Satyamurti: Britain dare not.

Sir H. P. Mody: There would also be a considerable set-back in the takings of our cotton on the part of Lancashire. Sir, as a result partly of Ottawa and largely of the Indo-Lancashire Agreement, Lancashire has implemented her undertaking and she is now taking 400,000 bales of cotton; and, very soon, the time is coming, which I foresaw, when she will take half a million bales, and a very important customer she will be then.

Sir, a great point has been made of the fact that the various Chambers of Commerce have condemned this Agreement outright with one voice. Here. I would like my friends to know, incidentally, that I have been President of the oldest and the most important Merchants' Chamber,

and I am still on its Committee. So I am not going to speak with disrespect about the views of the Indian commercial community as voiced by the Federation. But, Sir, my attitude on occasions towards the views of the Indian commercial community is of the same philosophical character as that of the patient who was asked by his doctor to take great care of the water, and who boiled it, and filtered it and sterilized it, and then drank beer. (Laughter.)

Sir, it is a very important issue which is before the House, and I would ask my friends—how many major issues, within their knowledge, have they disposed of without reference to a Committee, straightaway by the vote of the House? The only argument that has been put forward in that connection is—"we know all that there is to know about it, already", but, surely, when you have a tremendous mass of figures to deal with, they have got to be sifted and their value tested; and that can only come by examination at the conference table. After all, you are only suffering a delay of four or five months. The Government are bound to come to us in the Simla Session with a revised Agreement, which you can accept or reject. If they are not ready by that time, the House has the opportunity of denouncing the Agreement.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has spoken for thirty minutes.

Sir H. P. Mody: May I have only two minutes more? I will not tax your indulgence.

To recapitulate, I say it is somewhat premature to form any opinion on Ottawa, as the results have been vitiated by abnormal circumstances. Still, as I have shown, India's export trade has improved; it certainly has not suffered. The next point is that, in a distracted world trying all sorts of desperate expedients, India has retained, to say the very least, her position in the world markets. The third argument is—is it wise to give up that position and suffer a disadvantage in the largest and most stable market of all? Lastly, no corresponding gain is possible in other countries, with the balance of trade so largely in favour of India.

Sir, the whole world is filled with the noise of the tocsins which are calling the people to arms, and Great Britain is the only sure guarantee of peace and stability. ("Hear, hear" and *Voices of* "Oh, oh!") It is unthinkable that, in these circumstances, India should throw away an economic alliance whose value has been demonstrated from so many points of view. (Loud and Prolonged Applause.)

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): Mr. President, I think there is common ground for all the parties on all sides of the House to meet, and I take it that that common ground is the welfare of India. Then, Sir, if differences of opinion are found here, why is it, and what is the explanation? The explanation is merely this that we on this side are considered to be so spiteful that we will even cut our nose to spite our face, and then, what we think,—and I may well tell you what we think of the people who think like this of ourselves; we think that these are the persons who refuse to guide their footsteps in future by the light of experience. It is well to go into what has been the experience of India with regard to this Ottawa Pact.

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Well, Sir, since the time at my disposal is very short, I may, to begin with, say with regard to this Ottawa Pact that the plot of this Pact was so cleverly laid that it will be worth while to go into its history at the beginning. Now, I may say that it was not an Ottawa Pact, but you may call it an "Ottawa plot". Sir, what happened? When the delegates were to meet at Ottawa, the Dominion representatives and the British representatives knew full well as to what they were going to discuss, and copies of all the papers and statistics were supplied to these delegates six months before If anybody doubts that statement, very well I would ask him to read Mr. Baldwin's speech made in connection with this. Sir, that was not enough. When our delegates went to Ottawa, as we have heard in this House, the atmosphere was one of equality of political status, equality of economic status; all these questions were in the air, and, therefore, to a certain extent our delegates were influenced by some such consideration as this: "if we give some concessions, it is likely we may be able to get some kind of a better status" and all that was being talked about. Sir, what was the other thing which we claimed? We have heard much about the Rs. 20 crores of trade in tea which was included in Ottawa, whereas steel and textiles, which had already got a preference beforehand, were excluded. Now, it is well-known that, by this preference on steels and cottons, the great principle that was talked of at the time of this Ottawa Conference, that it will not interfere with the protection of industries, had been given the go-bye. Well, Sir, the tale is not complete. On the top of that, we find that, even after the Ottawa Pact, Great Britain has entered into reciprocal trade relations with no less than fourteen or sixteen nations. Well, Sir, that was at the beginning of this Ottawa Pact. Now, an attempt is being made for us to swallow this Ottawa Pact by all kinds of plausible excuses.

Let me take the most important of it that was just mentioned, and that was cotton. Now, as the House knows, there is no preference on cotton; yet, what is the position? We are told that the promise that Lancashire had made has been implemented and she, instead of two lakhs of bales, is already taking four lakhs of bales. Now, is this argument one which should appeal to this House? In the case of cotton, after all, even before the Ottawa Pact, Lancashire or England was taking three lakhs of bales. Now, although we have been told that Lancashire is taking nearly 200,000 bales more, in return for what is that? I would draw the attention of the House to that, Sir,—in return for six million yards of textiles. Now, the other day, we were threatened that if we did not, the Indo-Japanese Pact will soon be coming into its place. Therefore, I want to compare the position of India as compared with Lancashire and Japan. Sir, if the Japanese do get their textiles into this country, at any rate they are buying 15 lakhs of bales, and, for these 15 lakhs of bales, how much of their textiles is being imported into this country? 400 million yards. Look at the contrast for the goodwill of taking two lakhs of bales more by Lancashire, we allow 600 million yards, whereas Japan takes 15 lakhs of bales and she is allowed only 400 million yards. Therefore, all this threat about Anglo-Japanese Agreement does not frighten us, because looking at it from the agriculturist point of view—now I am very glad that the previous speaker said that the question in this House should not be thought of in an isolated

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fashion, as my Honourable friend, Dr. DeSouza, was told that the question should be thought out in a comprehensive fashion from a national point of view—therefore, looking at it even from the agriculturist point of view, there is nothing to be frightened at this cotton question. For the textiles that Japan sends here, we are sending our raw cotton. Now, supposing that we do away with this Ottawa Pact, what is it we are going to be threatened with as far as cotton is concerned. I suppose 30 lakhs of bales are utilized by our own country, Japan takes 15 lakhs of bales, China takes five lakhs, then hardly two or three lakhs of bales are left over unconsumed, and perhaps the best proof, that I can give this House as to how the Ottawa Agreement has affected this cotton and textile business, is the way in which the Bombay textile mills are closed at the present moment. Before this Ottawa Agreement came, there were many Bombay mills which were working in full swing. After this Ottawa Agreement and the agreement with Lancashire, as my Honourable friend, Sir Homi Mody, will corroborate me, many mills in Bombay were closed down. This is what happened to the textile industry after the Ottawa Pact. I say even apart from the textile industry, look at it from the agricultural point of view. What is there to be frightened with so far as Japan is concerned. Even from the revenue point of view, I suppose that we will always be having these higher duties on Japan, and, therefore, even if Lancashire cloth does not come in, I say more revenue will go into the Government coffers. This is so far as cotton is concerned.

Let us take tea. We have been told that our export trade in tea amounts to 20 crores. I submit, over this tea, again, there was a trick played on the Indian industry. As my Honourable friend, Mr. Joshi, pointed out, it may be an Indian industry, but it is really an industry with almost entirely English capital. However, I do not want to take that line of view. I say what was the good of having this preference to tea when already quotas were established and whatever preference you would have had would have made no difference to your tea. There is one thing more I want to point out with relation to this tea. We had this perference of 2*d.* per pound, as the Honourable the Commerce Member said the other day, but what is the result of this Ottawa Agreement? Actually more than ten millions pounds of tea have been sold by China in the English market from the time when this Ottawa Agreement came into working.

Now, Sir, so far as the other products and commodities are concerned, for instance wheat, what was the good of saying we give you preference on wheat when at the time it was thought that it will not make much difference to the wheat industry and to the rice industry. These two industries are in the same position as they were before the Ottawa Pact came into existence. It is true that Great Britain might have purchased 50 lakhs worth of rice, but we have lost more than four crores so far as rice export is concerned. Therefore, whichever way we look at it, we find that, after the Ottawa Pact came in, we have been losing particularly on these commodities to which preference was given, except coirs and rugs, as has been mentioned in this House. What is the conclusion that we come to? The conclusion is only this that whatever preference was given to us, those preferences were either inadequate or useless or they were circumvented in one way or the other. Take coffee and groundnuts. We were given preference and we were supposed to have a rise in the

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export of these products. It might as well be that we were given no preference at all. After all, if you must give preference, you must give adequate preference. If an examinee wants 100 marks to get through an examination, then if the examiner only gives him ten marks or even 20 marks, that is not going to make the examinee pass the examination. If he must get anything at all, he must get pass marks. Therefore, you will find that so far as this preference is concerned, it is so adjusted that either the preference is absolutely inadequate or it makes no difference to the export of such commodities. I have already said about wheat and others. The second way in which these preferences were circumvented were by means of indirect ways and the indirect ways can perhaps be better exemplified in the case of linseed than anything else. It is true that in the case of linseed, England is our best customer. But we have been beaten down so far as linseed is concerned by Argentine and other non-Empire countries. Here again it may be worth while to draw the attention of the House to the way in which it was managed. I suppose the House or the other side has already heard of the drawbacks. On one ton of linseed, the import duty was £3-10-0 and the drawback allowed was £3. Now, during the time when this linseed was imported into England, actually so far as linseed oil and other vegetable oils are concerned, we have been practically wiped out of the British market to the extent of 2½ million lbs. though Sir Joseph Bhore thought at the time that it would come to this country. Therefore, looking at it from all these points of view, you come to the conclusion that either the preference has been no good or that it has been inadequate or that we have been tricked out of the advantages which we might have got. Now, I want to put a practical question. Supposing we enter into a commercial agreement with any other party, do you think we will keep our contracts with a party that has entered into a contract with us on such—I may honestly say—dishonest terms. Would we not say, "well, this is a party that has no commercial honesty, and, therefore, let us terminate this contract". Sir, before this Agreement, we had built up a trade, and the position so far as India is concerned, was quite different to the position that we had before. We had established international markets from China to Peru, we had established markets in every country, and we are told that during all this period of crisis, all those markets would have disappeared, and, therefore, that it was better to make certain of a certain market that Britain gave. It seems to me that is very much against practical common sense of even an ordinary housewife, who does not like to put all the eggs into one basket. What is more, all the baskets are being utilised at the present time to catch only one egg, that is the British market. This is the most unfortunate part of it. The position, therefore, is that it is absolutely even against common sense.

Now, Sir, a good deal was said about exchange. I take it that trade means prices, and prices mean currency and currency means exchange and however much you may hide it from the House or the public, the crux of the whole question is exchange. If the international trade means anything, it means control of the exchange, control of the exchange means control of currency—What is the good of saying we will go into committees of all kinds so long as we cannot control our currency or exchange. So long as we have no power to alter the currency or exchange, it is futile to go into committees. All that you would be doing by going into committees is that you will be applying a little ointment to your bruised souls. So long as you cannot control currency and exchange, it is futile to go into committees. Did not England control her currency all of a sudden and devaluate the price of the pound to something which was not before generally in the interest of her export trade? I want to put a straight question to the Honourable the Commerce Member. Is he in a position to say that currency can be controlled by us? He can as well consult his Honourable colleague, the Finance Member. I know what the Honourable the Finance Member will say. He will say, "No, so far as currency and exchange is concerned, it cannot be interfered with". I will request the Honourable the Commerce Member to ask the Honourable the Finance Member another question: "Not only will he change, but can he change"? We all know that the Honourable the Finance Member cannot do it. Therefore, so long as we cannot control our own currency or exchange, which means our export trade, it is idle to talk of increasing our export trade and increasing the prices by merely appointing committees and saying, we will consider. What are we going to consider? When the committee sits, what other evidence is going to come forward before the committee? Are there going to be any new figures? Have we not seen the working of the Ottawa Pact for the last three years? And then, in the next two or three months, as long as the committee sits the members of the committee may make their hair grey and those whose hair is already grey may make themselves bald; but there are no new facts. There is nothing to talk about and nothing to control. We cannot modify anything, and then we come into the House and say, let us go into a committee. I agree entirely with the Honourable the Commerce Member that the question is very complex and that it will mean that the interplay of opinion would make a very considerable difference; but situated as we are, we know as practical men, and I am sure all must agree that as practical men we have absolutely no control over the state of our own affairs. We cannot devalue our currency; we cannot influence the prices; we cannot do anything so far as the indirect ways of doing away with the advantages or preference in the British market is concerned. And then what is the good of going into this committee? Instead of this Pact which was a sort of trickery and which was nourished on self-interest, it is better that it should be repudiated. I say, let this be repudiated, and do not let us go into any of these farces of committees.

Mr. M. S. Aney (Berar Representative): Sir, the debate over this question has been going on for the last three days and almost all the important points from which the problem can be looked at have been thrashed out. Nobody can at least so far as I am concerned, I myself at any rate, cannot hope to contribute any new idea or any new thought to the debate. Yet, my excuse for intervening in the debate is that there are one or two points with which in the interests of my constituency I am intimately concerned, and I think I should have my say before recording my vote on this important question.

When the debate was opened, the Honourable the Commerce Member very earnestly called upon the Members of this House to approach this question purely from the economic point of view. He wanted us to rid our minds of all our political inclinations and ideas and look at it purely as an economic proposition and nothing else. It is a suggestion which was no doubt of great importance, but I believe some of his friends who

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were sitting behind him did not quite approach the question from the same dispassionate and economic standpoint from which he wanted us to approach it. For example, I will like to refer to the special plea which my Honourable friend, Dr. Matthai, put forth in supporting the motion of his chief. He asked us to look at this Ottawa Pact from the particular purpose and scope of the Agreement and form our opinion on that basis; and in explaining the purpose and scope of that Agreement he said that the idea was to create an economic bloc,—one Empire economic bloc. And from that point of view he wanted us to look at the figures and say whether this Agreement has justified itself or not. I want to understand what is the meaning of the idea of creating one Empire economic bloc. Is it not in furtherance of the idea of Imperialism? Has it got any other meaning? If it is for that purpose, how can we help looking at this question from the point of view that the whole policy underlying the Ottawa Pact is intended to foster the idea of Imperialism and in furtherance of the objective of Imperialism? That being the very basis on which this whole Agreement stands, it is very natural that the judgment of those who are opposed to this idea of Imperialism are likely to be influenced by this feeling. As a matter of fact, I do not consider it as in any way criminal to take a political view of a thing like that, although I am prepared to examine it from the economic point of view. I think it is perfectly justifiable for us to say that we are opposed to Imperialism. It contributes, in fact, one of the great arguments and reasons for us to make a very careful and searching study and examination of the whole thing and find out whether, apart from supporting the political policy of Imperialism, it does any tangible good to this country at all. The only standard from which I should like this House to examine this Pact and its effect on the country is the interest of India and India alone and nothing else. Whether it creates an Empire bloc is not the thing I wish the House to consider. Is it in the best interests of India as a nation? Apart from its connection as a unit of the British Empire, has this benefited us as a nation?

With these preliminary remarks, I will try to fix your attention on one or two important figures only. I am one of those who are reluctant to deal with figures. In fact, I was going to begin my speech with a remark that it would be better if you, as the President of this House, had the power to prevent Members of this House from making unnecessary and extravagant use of figures in their speeches. I have heard that, in certain municipalities, they have got the right of making rules to prevent the use of barbed wire for the purpose of fencing their compounds within the limits of the municipal towns. The use of these figures is something like the use of the barbed wire. In my opinion it makes it difficult for a man to enter into the speech delivered by any member on account of the many statistical figures coming in way or obstructing and even cutting him as soon as he makes an attempt to go and look into it. And when these figures are given out one after the other in rapid succession we hear them talking in millions and billions we do not understand what it is exactly that is being said. The sound only remains or lingers in the ears and the sense escapes. And I believe, Sir, you have got the power to prevent sounds without any sense from being made in this House. However, apart from this, my point is this, that in considering this question I will try, as far as possible, to fix the attention of this

House on one or two important figures. I will proceed with the fact that India is an agricultural country; I will also proceed with the fact, which is not denied by anybody, that it is a debtor country. In a country like that the most important fact with regard to its trade that has to be borne in mind is whether any particular arrangement that we are going to make with regard to its trade is to result in returning a favourable balance of trade or not. All trade agreements and transactions have to be judged from this point of view. If they are not going to give us a favourable balance of trade it becomes a matter for serious consideration for us to look at the whole arrangement and doubt its soundness also. I believe it has been brought to the notice of the House by several speakers that leaving aside the previous years, even taking one year previous to the one in which there was the trade agreement, we find that the trade balance in our favour has not been what it was in the year 1931-32. In the year 1934-35 for which we have got the latest figures here, the figure indicating the balance of trade has gone down considerably. The fact is admitted that from 35 crores we have come down to 22 crores—that is our balance of trade at present. Now, my Honourable friend, Sir H. P. Mody, has very ingeniously tried to avoid taking the figures for the year 1931-32: he is enamoured of the year 1932-33 simply for the reason that that was the year in which he found that the balance of trade which had precipitately fallen to four crores from 35 crores at which it stood in the year 1931-32. He hopes to end the year 1935-36 with a balance of 25 crores. I am not going either to question or to accept the figures which he has quoted for the eleven months of the current year. We know how in revised estimates these bogus estimates of figures for remaining months very often are unset and some other figures are given later on when actual accounts are made. It is no use going on imaginary figures. The best course for us is to proceed on a data which is unquestionable and which is unchallengeable, and going by that data we have no hesitation in saying that the balance of trade has come down to 22 crores, and looking at the figures that have been supplied for the seven months of the year 1934-35, the balance of trade threatens to remain stationary somewhere at that figure. There is no reason for us to make a bolder speculation: that is all that I can say.

I also wish this House to remember that the Ottawa Agreement is an Empire Agreement. Sir, if you examine the figures of exports only, you will find that in 1934-35 the exports from India to the Empire countries, including the United Kingdom, were only worth 72 crores. It means that so far as the export trade of India to the Empire countries, including the United Kingdom, is concerned, this is no expansion at all; as the figure of our exports was precisely the same in 1931-32. If there is any expansion, it is only on the import side, and there we find virtually a regular increase of something like eight crores so far as the whole of the Empire trade is concerned.

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): That is detrimental to our industry.

Mr. M. S. Aney: What is the meaning of that? If any Empire Trade Agreement to which we have been called upon to be a party is not going to help us in the expansion of our export trade within the Empire, but on the other hand, our country is going to be a market for all sorts of imports within the Empire, are we going to gain or to lose? Anybody

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will be able to answer that question. In this connection I must bring to your notice a very important passage from the Report which Dr. Matthai has published. He wants to proceed by a particular test in judging of this Agreement—I believe he is the author of it. He says:

"It must, however, be clearly understood that the effects of preference in such a case can be judged truly only from the position of India in the United Kingdom market. If India has improved her relative position in the United Kingdom as disclosed by her percentage share in the total imports, other things being equal, the preference must *prima facie* be deemed to be valuable."

I am glad to find here that Dr. Matthai wants to rely on percentages, while the other day in his speech here he said that percentages were a dangerous thing and from his own experience—he added that he had considerable experience in dealing with statistics for a number of years—they were deceptive. And he wants us to apply a deceptive test for the sake of judging the success or failure of the Ottawa Agreement. I would like him either to revise the opinion he has expressed in the House or revise the opinion which he has expressed in this book. Probably this was written by him as an expert, and what was said by him in his speech was as a supporter. Further on he says in the book:

"Whether India's other customers have taken relatively more from us than the United Kingdom is not quite relevant to this issue."

Why not? If, by making an arrangement with somebody with a view to getting at least what I have been getting up to this time, you give me something more, but I am losing more elsewhere, then I must say that I have been carrying on this arrangement to my disadvantage. The very fact that I have been called upon to be a partner to this Agreement means that either I shall be able at least to make up in those countries who are parties to the Agreement, by getting a preference, all that I shall have to lose elsewhere in the foreign market. If that is not the result, the Pact has to be declared a failure. It is naturally a wrong test, and Dr. Matthai wants every sensible Member of the House to judge the result of the Agreement by it. Everyone may not know so much of mathematics as Dr. Matthai knows, but every one of us knows ordinary calculations, and if we are losing more in our trade with a foreign country and are not recouped to that extent by the expansion of trade in the United Kingdom and other Empire countries, the result of the Agreement must be declared to be a miserable failure. There is no justification for its propounders to stand behind it and support it, when there is a positive shrinkage of seven crores in the exports to foreign countries from 1931-32 to 1934-35.

Leaving aside that point, I must also remind the House of the hopes that were held out in this House by those who propounded the Agreement. I am not going to examine the various articles in the case of a number of which we expected to have a big market—they have been enumerated more than once and by more than one speaker, on the floor of this House and I do not want to repeat them. The agriculturists were looking up to the Agreement with the expectation of making at least a fraction of those fabulous crores, but they have been looking up only to find that none of these crores is coming to their pockets at all.

I would like to draw the attention of the House to another fact, namely, that the Agreement has to be judged by the totality of its effect upon the totality of our trade. So far as the figures of articles of preference

are concerned, they have been discussed by so many Members that I do not want to repeat them. It has been shown that the preferences have not worked to the advantage of India. My Honourable friend, Mr. Satyamurti, has in a note, which he prepared at the very beginning and which was circulated among the Members, pointedly drawn attention to the fact that in an agricultural and debtor country like India, if the balance of trade is not sufficiently in its favour it is difficult for that country to meet its foreign commitments. That is a very serious problem, and, if we are losing ground there, we are losing ground on the very foundations on which alone a satisfactory and strong device of economics can stand.

Sir Girja Shankar Bajpai and others asked this House not to look at the question purely as a casual matter. Let us look at it very seriously. Their reply to the argument of diversion of trade—which has been no doubt emphasised very properly from this part of the House—has been that whatever you call diversion is a thing which has already begun and cannot be attributed to be due to this Agreement. I only want to bring to the notice of my Honourable friend, Sir Girja Shankar Bajpai, a passage from the "League of Nations—World Economic Survey, 1932-33". He quoted the League of Nations for two other purposes in the course of his speech, but I want to bring to his notice a passage which shows that the authors of the Survey at any rate look upon the Ottawa Agreement and other agreements of that nature as likely to provoke retaliatory measures from other countries. Not only that, but they are clearly of the opinion that the measures that have been taken must be retaliatory although, on account of the shortness of time, it may not be possible to show clearly its effect upon the totality of trade in the whole world. The passage I wish to read is this:

"These concessions"—*referring to Ottawa concessions*—"were accompanied in practically every case by some raising of the barriers against foreign goods, and it is not possible yet to judge from the statistics of a limited period, during which the crisis has been aggravated, as to the net effect on world trade as a whole. In so far as the aggravation of the crisis was partly due to the closing of British markets against foreign goods"—*he is here referring to the Ottawa Agreement specifically in this sentence*—"and to the retaliations thereby provoked it is probable that the net effect to date has been restrictive."

About diversion our friends here say that this is not retaliation; yes, foreign countries have not taken measures by declaring that they are retaliatory; but we must remember that the language of objects and reasons of such measures is of the diplomats, who are more diplomatic than the Honourable Members who sit on the Treasury Benches; they are past masters in the use of language like that. As I say, the authors of this report have certainly no doubt that the net effect has been restrictive; so, a thing of this nature is bound to provoke and has provoked retaliation.

Now, the question is this: is it wise for us to enter into agreements of this nature? That is the first point. I do not say that no agreement is necessary, that is not my point: but, situated as we are, is it wise for us to enter upon such Agreements? The reason is this. What is meant by Empire Agreements of this nature? Against whom do we want protection? I have already stated that we are an agricultural country. Some of the important exports which we sent to the United Kingdom are the very commodities grown in Canada, Australia, New Zealand and other places. They are our worst competitors. This arrangement gives

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preference for all. So far as the United Kingdom is concerned, against the competition which Canada, Australia and New Zealand carry on with regard to many of the commodities that we grow as agriculturists here, we receive absolutely no protection; and actually the inclination of England is to look up to those markets for those things instead of our markets. That is the reason why I say that some of the commodities which have been mentioned in the Agreement as being likely to lead to considerable expansion of export trade in future have shown absolutely no expansion at all: their needs and requirements are probably supplied from other parts of the empire where they can have it cheaper than they can get it in the Indian market. That is the reason why not a grain of wheat has been exported from Karachi, and about that the whole story is told here. Apart from that, there is another thing also. They will make an agreement with us: they are a creditor country: they have got debtor countries also in America and other places; with them they make other agreements, and in those agreements they stipulate to receive considerable quantities of those very articles about which they are going to give us a preference in their markets. That is the reason why they have made agreements with Argentine; and by that agreement they create a situation in which any preference given by them to commodities exported by the Indian people becomes useless and nullified. They have got the freedom to enter into bilateral agreements with any country they choose to their own advantage. They have not bound themselves to go in for any particular quota with us. This Agreement is very peculiar. Certain preferences are given, but they can purchase in the cheapest market they have got nothing to bind them; and, in those circumstances, I am quite sure that India will always be at a great disadvantage.

I shall quote in this connection only two opinions—one from an authority who, I am sure, will not be accused of having any political bias, one who is a wellknown authority on industrial and economic questions in India, I mean Sir M. Visvesvarayya. On page 159 of his book on Planned Economy for India, a book to which reference was made by the Honourable the Finance Member in the course of one of his budget speeches he says:

"As this book was passing through the press, the official report on the results of the year 1933-34 has been published and it is found that in respect of several important commodities included in the Ottawa scheme of preference the anticipated results to India have not materialized."

That is opinion No. 1:

"The share of the British Empire in India's foreign trade has steadily declined in recent years. Taking imports and exports together, India's trade with Empire countries fell from 57·1 per cent. during the war to 45·3 per cent. in 1932-33 and with the United Kingdom from 41·2 per cent. to 32·2 per cent. It is evident that the bulk of India's foreign trade is with non-Empire countries (*that is an important point to note*) and India cannot, therefore, be too careful that in accepting comparatively minor advantages from Empire countries she does not antagonize non-Empire countries and jeopardise the prospect of further expansion of her valuable trade with them."

This is the opinion of one who has given the whole of his life to the study of economic questions and industrial problems of India, and ought to carry more weight than the opinion of my Honourable friend, Sir

Homi Mody. There is another opinion which I would like to quote—that of Mr. Ghosh to whom reference was made by my Honourable friend, Sir H. P. Mody: Mr. Ghosh is a disciple of Dr. Banerjea, and we have heard the opinion of Dr. Banerjea in this House. There is, therefore, not much reason for us to be anxious to know his opinion; but as reference has been made to that opinion I wish to bring to the notice of the Honourable Member concerned the following passage:

"Thus the Agreement has succeeded only in parts. In other parts it secured illusory benefits to our exports in exchange for real burden on our imports."

That is the opinion he has expressed in this book . . . .

Sir H. P. Hody: It has succeeded in parts: that is all that we claim.

Mr. M. S. Aney: To sum up, I have shown that the Agreement has not showed results which are beneficial to the true interests of India. Situated as we are, it is no good to have such an Agreement like that unless we really get freedom to negotiate as we like. How to get out of this rut? I believe the motion tabled by my Honourable friend, Mr. Jinnah, suggests a solution. Wedded as we are—to borrow the metaphor which my Honourable friend, Sir H. P. Mody, used, on the floor of the House—against our will, we find it a very miserable friendship. It is a very unhappy affair here. What is the way out? I want my Honourable friend, Mr. M. A. Jinnah, to speak in the name of the House and declare in the name of Indian Trade and Commerce, in the presence of our President as Qazi, "*Talak, Talak, Talak*". (Loud and Prolonged Cheers.)

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I intervene in this debate with considerable diffidence. We have been discussing the Ottawa Agreement, as the last speaker reminded us, for some two and a half days and there is little that any speaker, either on this side of the House or the other, can usefully add to what has already been said. As my Honourable friend, Mr. Satyamurti, has very truly remarked, we have heard great argument about it and about; but I have no doubt whatever that this afternoon we shall leave this House for the lobbies by the same door through which we usually pass—ayes to the right and noes to the left. And I know full well that though I spoke with the tongue of men or of angels though I had at my command all the subtle dialectics of the Leader of the Opposition or of the Independent Party, all the exuberant rhetoric of my Honourable friend, Mr. Satyamurti, I am not going to convince my Honourable friends opposite that there is a very good case for sending the Ottawa Agreement to a Committee of this House. But that, Sir, is no reason why we, on this side, should allow their arguments to go by default. We have endeavoured to present to the House the facts on which alone a true judgment can be formed, and I cannot but believe that our presentation of them should carry conviction to the minds of those whose eyes are not obscured by the mists of political prejudice. My Honourable friends opposite have stoutly maintained that they view the Ottawa Agreement as a business proposition and that they have examined it in no other light. I would not for a moment seek to minimise the sincerity with which they hold that conviction, but I must frankly say that I should have more confidence

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in the foundations of their belief that they have approached the Agreement in an entirely dispassionate frame of mind if I saw any evidence that they had devoted a tithe or even a hundredth part of the energy with which they have, in their view, torn the Ottawa Agreement to shreds to an examination of the working of another agreement of almost equally grave import to India—the shadow of the revision of which is looming in the near distance. I refer to the Indo-Japanese Agreement of which I shall have more to say presently. Dr. Matthai has reminded us of what he, not unjustly, described as the avalanche of emotional literature on the Ottawa Agreement which has snowed us all under. I have yet to see the first snowflake of pamphlets on the subject of the Indo-Japanese Agreement.

As I have already indicated, Sir, I can do little more in the brief time at my disposal than to cross the t's and dot the i's of those who have spoken from these Benches and of some of those who have spoken from other Benches and to make some attempt to focus the arguments they have adduced. Though this has been done by previous speakers, I should like, at the outset, to carry the House back for a few moments to the atmosphere of 1932, for it has a very important bearing on a point raised by my Honourable friend, the Leader of the Opposition. We were not, in 1932, living in normal times. We are not living in such times now, and Heaven knows whether any of us in this House today will ever again live in them. But we have got a little more used to abnormality than we were in 1932. An economic cataclysm had then befallen us. The disastrous shrinkage in the world's trade which resulted from it led to intensified competition for such trade as there was, and all countries felt compelled to take defensive action. A certain measure of restriction in international trade thus became inevitable. The Ottawa Agreement was an attempt to place some limit on the growing contraction in the range of that trade. Empire countries whilst defending themselves against the competition of other countries attempted to organize inter-imperial trade not on a free trade basis—that the fiscal history and traditions of many of them made out of the question—but on a freer trade basis than had previously existed. Instead of completely surrendering the principle of international trade, they attempted in the Ottawa Agreement to preserve that principle amongst the countries included in the British Commonwealth of Nations, as a first step towards a similar arrangement for the World Commonwealth. It is important to remember that, at the same time, in regard to those commodities which the constituent countries of the Empire could supply for their own requirements, the principle that the home market should, as far as possible, be preserved for home industry was recognised. The Ottawa Agreement definitely recognises the right of India to protect her own industries against competition from other countries under the policy of discriminating protection.

Such, Sir, was the Ottawa atmosphere as I understand and remember it. The Leader of the Opposition has told us that it was the obvious duty of the Government to wait and see how the Import Duties Act of 1931 worked before they entered into an agreement. They should have waited until duties had been imposed, until the harm was done, for we have to remember, Sir, that it was the United Kingdom that proposed to impose new duties, not India. I can well imagine, Sir, the storm of criticism that would have broken over our heads if we had done so. We

should have been told that we had been given a chance of negotiating with the United Kingdom and other parts of the Empire on equal terms, that we had deliberately turned our backs on it, and that we had in short displayed the usual callous indifference to the best interests of India that we invariably display. In this matter, the views of the Leader of the Opposition and Professor Banerjea display a striking difference. The Leader of the Opposition realises that the threat of Import Duties against Indian products, in 1932, was a real one. Professor Banerjea holds that the United Kingdom could never be so "perverse and foolish" as to impose duties on raw materials. We, on this side, do not share his easy optimism. We did not share it in 1932 when we sent a delegation to Ottawa, nor do we share it now when the question of denouncing the Agreement then and there arrived at is under consideration. India is not the only source on which the United Kingdom can draw its materials. Ceylon can supply her tea, Kenya her coffee, and West Africa her groundnuts. And, coming as he does from Bengal, let me remind him of the preference of 20 per cent. on the Rs. 1½ crores worth of jute manufactures that India sends to the United Kingdom. Is that preference worth nothing to his province and would not its abolition be a source of some satisfaction to Dundee?

There are, Sir, two subjects about which we have heard a very great deal in the course of this debate—diversion of trade and bilateral agreements. As regards diversion of trade, the position as I see it, is that, since 1932, as the result of the Ottawa Agreement and the stabilisation of our exchange with the United Kingdom, we have been able to preserve and, in many cases, to increase our export trade with the United Kingdom, but that, as regards foreign countries, the uncertain conditions of international trade in respect both of tariffs and of exchange have led to a continued decline in that trade. What I would suggest to the House is that, if we had not been able to make an Agreement with the United Kingdom, we should have been faced with a decline in our export trade to the United Kingdom also. And what I would also suggest to the House is that to make the diversion of trade argument of real validity, it would be necessary to establish that the decline in our export trade to foreign countries was of general application and covered *all* commodities on which a preference has been given. Dr. Matthai has shown that this is not the case. May I supplement his argument with a few figures? Take that commodity which has figured so largely in these discussions—linseed. In 1931-32, we exported to the United Kingdom 14,100 tons of linseed. This increased in 1934-35 to 103,800 tons. During the same period, our exports to other countries increased from 106,000 tons to 134,600 tons. There is no diversion there. Take woollen carpets and rugs. In 1931-32, our exports to the United Kingdom were 3·5 million pounds. In 1934-35, they were 8·2 million pounds. During that period, exports to other countries increased from 1·3 million pounds in 1931-32 to 1·9 million pounds in 1934-35. Clearly, Sir, there is no diversion there. Tanned skins are an important item in our export trade amounting as they do in value to over Rs. 3 crores. Exports to the United Kingdom in 1931-32 were 4,800 tons and in 1934-35, 5,700 tons. Exports to other countries increased from 700 tons in 1931-32 to 800 tons in 1934-35. Again, Sir, there can be no question of diversion. Yet another item of some importance in this connection is oilseed cakes, the total value of the trade in which is nearly Rs. 2 crores. In 1931-32, the exports to foreign

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countries amounted to 1,87,200 tons. In 1934-35, they had fallen to 1,37,100 tons. But let those who maintain that this is a clear case of diversion hear the figures for the United Kingdom. In 1931-32, the exports to the United Kingdom were 1,03,600 tons. In 1934-35, they were 2,10,900 tons, a gain of over 100,000 tons, almost exactly double the fall in the exports to foreign countries. It is, I venture to think, clear that no argument in regard to diversion applies here also.

Now, Sir, it is high time that, as Member in charge of that badly misnamed portfolio, Industries and Labour, I turned my attention to a point which has been specifically put to me by my Honourable friend, Mr. Satyamurti, the effect of the Ottawa preferences on Indian industry. There are two aspects of this question, the effect of the Indian preferences on British exports to India, and the effect of the British preferences on Indian exports to the United Kingdom. It is in the first of these that Mr. Satyamurti is specially interested. In words with which I found myself in complete agreement—in fact, I said very much the same thing in this House a few days ago—he stressed the importance of small industries in the economic structure of this country. He wanted to know what effect the preferences have had on them. His question well illustrates the advantages of the Committee we have proposed which could examine this question in detail. We have plenty of information that we can place before it. Before the Indo-Japanese negotiations commenced, we made an exhaustive enquiry into the range of competition between Indian and foreign manufactures—large as well as small scale industries. Since the Ottawa Agreement came into existence, we have had occasion, in the case of a considerable number of minor industries, to examine the preferences given, and, except in the one case of aluminium, there has never been a suggestion that British competition has affected an industry. On the contrary, in at least two instances, the cotton hosiery industry and the brewing industry, it has been definitely stated that the industry has no objection to the grant of preference to the United Kingdom. I would here adapt an argument used by the Leader of the Opposition. He said that the silence of the United Kingdom in regard to the termination of the Agreement meant that it was completely satisfied with it. I wonder whether, after hearing what my Honourable friend, Mr. James, has said on this point and that the Associated Chambers of Commerce in the United Kingdom want an early opportunity for consultation with India on this question in order, as they put it, to prevent a situation developing in which it may be necessary to give notice of termination of the Agreement, he is quite so sure about either the silence or the satisfaction. But if silence is to be regarded as such striking evidence of satisfaction as the Leader of the Opposition appears to think, then Indian industry with one small exception is completely satisfied with the Ottawa Agreement. For, with the exception of the aluminium industry to which I have referred, no industry has complained that Ottawa has either increased the cost of its raw material or in any way adversely affected it. I need not enlarge on the case of aluminium which was fully examined in the 1933-34 Report on the working of the Agreement, in which the conclusion was reached that an ample supply of raw material was available to the industry and that its price had fallen steadily since the termination of the Agreement. Nor does time permit me to deal with the belated representation the industry has just sent in. I might, perhaps, here make a point which seems to me of some importance. It is that a preference by itself cannot affect any shelter enjoyed by an Indian industry under the tariff. What really matters is the level at which the basic and preferential duties are fixed. That was a consideration which was kept prominently in mind when the duties under the Ottawa Agreement were fixed.

I would give two instances. In the interests of the indigenous film industry, raw films were made dutiable at 15 per cent. for British films and 25 per cent. for foreign films in order to enable the indigenous industry to get its raw material as cheaply as possible. On the other hand, in the interests of the Indian oil extractor, cocoanut oil was made dutiable at 35 per cent. foreign and 25 per cent. preferential in order to ensure the maximum benefit to the Indian producer. Mr. Satyamurti specially mentioned soap. I trust he has been convinced by his visit to the Exhibition to which I referred the other day and at which I had the pleasure of meeting him yesterday that there is none of the smaller Indian industries that has made more progress than the manufacture of soap. That in itself shows that the Ottawa preference of ten per cent. on toilet soap—not on household and laundry soap—does not prejudicially affect the Indian industry. There is further evidence. I have not got with me separate figures for imports of United Kingdom soap, but the imports of soap for all countries in 1934-35 were only 207 tons against 303 tons the previous year. May I add that one of the activities of the great enterprise with which my Honourable friend, Sir Hormasji Mody, is connected, is the manufacture of soap of excellent quality? I am glad to present him with this free advertisement and I hope my Honourable friend uses it himself as I do. He does not suffer in silence (Laughter), and if there were any case in regard to the effect of the Ottawa Agreement on soap, I am sure we should have heard of it before now. In any case, both in regard to soap and to another commodity mentioned by Mr. Satyamurti, woollen goods, the Ottawa Agreement did not lower the existing duties. It is true that in the case of the third class of articles to which he referred, toys, the existing duty was lowered from 50 per cent. for British manufactures, but does he sincerely believe that toys of British manufacture would be in effective competition with Indian toys even if the colossal duty of 40 per cent. *ad valorem* were not imposed on them? The small industries of India may not be well organised, but they are vocal, and I maintain, Sir, that their silence on the question of the Ottawa preferences is significant.

Now, I turn to the other side of the picture, the effect of British preferences on Indian industry. As the House has been reminded in the course of the discussion, there are a number of Indian industries which receive preferences on their exports to the United Kingdom. I have already mentioned manufactured jute and woollen carpets and rugs. Of the others, pig iron, finished leather, unfinished leather, coir manufactures, granite setts, magnesium chloride and sports goods, there are some which deserve more than a passing reference. Before I make that reference, I would remind the House that the total value of our export of these goods to the United Kingdom in 1934-35 was approximately Rs. 9 crores, and that the preference on them ranges from ten per cent. to 30 per cent. They have free entry which would be lost if the Ottawa Agreement were denounced.

Of the articles now under discussion, it is not, I think, incorrect to describe cotton manufactures,—a small trade it is true, but one which, I am sure, will grow with better arrangements for the marketing of the better hand-made goods which are being turned out—unfinished leather and coir manufactures, as in the main the products of cottage industries. There

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are two other industries closely allied to agriculture of which that is also true, vegetable oils, the value of the exports of which, to the United Kingdom in 1934-35, amounted to Rs. 10 lakhs, and oilseed cake, the value of the exports of which to the United Kingdom in that year was Rs. 116 lakhs. India's vegetable oils are admitted free, which means that they get a preference of ten per cent. except for linseed oil on which the specific duty on foreign oil is £3-10-0 per ton. Oilseed cake—an important item as the value of exports to the United Kingdom is Rs. 116 lakhs—is also admitted free against a duty of ten per cent. on foreign imports.

1 P. M.

There are two interesting items in the list I have quoted, magnesium chloride and chrome leather, for which representations have come in favour of the continuance of the Ottawa Agreement, extracts from which are well worth quoting. Here are some from the magnesium chloride representation:

"It may be of interest to note, that during the past few years of its existence, our industry has made great strides and besides meeting the bulk of the demand of the Indian textile trade to the tune of nearly 80-85 per cent. of the total trade requirements of this country, we have succeeded in building up a fairly important export trade in this article in the various world centres in spite of the keenest competition and handicaps in the way of a new and young industry like ours in the different foreign markets."

"Now, to come to the main point, it will be noticed that Great Britain is one of the largest consumers of Magnesium Chloride and Magnesium Sulphate in Europe; not only for textiles but also for the flooring trade and for other important industrial uses. In the absence of any local indigenous production worth mentioning, she is obliged to import practically the whole of her requirements from abroad and mainly from Germany, and it is only recently that we have begun after great effort and sacrifice to fill in a part of this demand". "Our exports in the United Kingdom during the last seven years show a steady increase."

I need only give the figures for the last four years:

1932—1,170 tons;

1933—704 tons (This fall may be said to be due to heavy imports from Germany just before the imposition of the tariff duties on non-Empire products in 1932);

1934—1,193 tons;

1935 (up to the end of December.)—1,678 tons:

"We must not omit" (*the representation says*) 'to mention here the debt of obligation owed by us to the Ottawa Pact, as without its assistance we might have found it very difficult to push our Magnesium Chloride sales in the United Kingdom market."

Now, Sir, the magnesium chloride industry may be a small one and may not, owing to the nature of its products, ever grow to large dimensions but I have said sufficient to show that it is one which deserves encouragement and that the Ottawa preference is giving it that encouragement. The chrome leather industry is on a larger scale and has greater possibilities. Its representation which reached me the day before yesterday is probably in the hands of the Members of this House. Here are some extracts from it:

"For many decades past, the exporting of raw hides and skins from India has been in the hands of Germans and Americans who have thus been able to feed the tanning industries in their own countries and the better to help these industries they have suggested that good leather cannot be produced in India. That this was not true has long been known to Indian tanners but unfortunately the opportunity to disprove the allegation was denied them until the coming of the Ottawa Agreement. Should the Ottawa Pact be abandoned, all our efforts will be brought to nought and India's loss will be Germany and America's gain."

"It is estimated that approximately twenty million square feet of finished upper leather, manufactured from India's raw hides and having a value of Rs. 90 lakhs, is now being exported annually to the United Kingdom whereas prior to the Ottawa Agreement Indian produced chrome leather was unable to find a market there. It is apparent,"—*says the representation*,—"that India would be the loser to the tune of Rs. 26 lakhs annully on this small but growing industry but for the Ottawa Agreement."

Sir, Rs. 26 lakhs is no small sum and even if it stood alone, which it most emphatically does not, it would be sufficient to disprove Mr. Mathuradas Vissanji's contention that the Ottawa Agreement has meant nothing but gain to the United Kingdom and loss to India.

One more point in regard to industries before I pass on to other considerations. Mr. Joshi said that if denunciation resulted in our losing existing preferences we should still have a useful lever in the differential duties on cotton piecegoods and steel. Let me remind him that differential duties were not devised in the interests of the United Kingdom but in those of the Indian consumer. They are intended to prevent an unnecessary increase in the burden of protection. Their removal would merely mean spiting the United Kingdom by making the Indian consumer pay. Several Members have suggested that he is paying already as the result of the Ottawa preferences. I would commend to their special attention Table VII on page 5 of the last Report on the working of the Agreement. That table shows that of the 345 United Kingdom products examined, 263 or 76 per cent. have registered a fall since Ottawa. Of the 356 non-United Kingdom products examined, 222 or 63 per cent. have showed a fall. It is clear, therefore, that, to put the case at its mildest, the Agreement has not involved any additional burden on the consumer.

My Honourable friends, Sir Girja Shankar Bajpai, Mr. Stewart and Sir H. P. Mody, have dealt very fully with the question of bilateral agreements and I have little to add to what they have said on that subject. But I must confess to some surprise that the fact that India can now enter into such agreements and has already done so has been so insufficiently realised by my Honourable friends opposite. As one who played a small part in arriving at one such agreement, I can only say that I am appalled by the suggestion in Mr. Jinnah's amendment that we should scrap our existing treaties with our important customers and investigate the possibility of entering into bilateral trade treaties with them. The Indo-Japanese Agreement took eight months, of most intensive work, to negotiate. A successful issue often hung on a very slender thread. I would ask the House seriously to consider the intolerable position that would arise if we were to endeavour to negotiate half a dozen such treaties at once. What Mr. Jinnah is asking us to do—if I understand his proposal aright—is to hold a World Economic Conference in India.

A few more words, and I have done. If I have followed this discussion aright, there are two schools of thought amongst Honourable Members who are dissatisfied with the Ottawa Agreement. The more extreme is all for out and out denunciation. Away with the Agreement! We will have none of it! Our business men have examined it and found it empty of profit and we want no further examination! I would respectfully suggest to them that they are surrendering that claim that the right of final judgment rests with this House on which they have laid so much stress since they entered it. The responsibility for the rejection of the Agreement will rest, not with any men, business or other, outside this House, but with the House itself and it seems worth-while emphasising the

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powerful advocacy of the motion before the House from two of the hardest headed business men in it, my Honourable friends, Mr. Abdoola Haroon and Sir Hormasji Mody. If the Ottawa Agreement is to be treated as a business proposition and nothing else, as the Opposition claim that they are treating it, all I can say is that there are no two people in India in whose advice on a business proposition I would place more reliance than that of the two gentlemen I have mentioned.

Mr. S. Satyamurti: They have made up their minds already!

The Honourable Sir Frank Noyce: But even among the out and out denouncers I notice some qualms. Mr. Satyamurti, if I remember what he said correctly, talked of the hard headed business men of the two countries getting together and hammering out an agreement. On what basis they were to proceed except on that of the ruins of the existing Agreement he did not explain. I have had some experience of hard headed business men getting together in a matter of this kind. The hard headed business men of India and Japan got together in 1933. They got together and they got no further but were eventually compelled to hand the problem back to their respective Governments who were more successful in solving it than they had been.

The other school of thought is that of Mr. Jinnah which suggests denunciation first and examination afterwards, not of the Ottawa Agreement alone but of all our trade treaties. I cannot deal with this suggestion at any length as I have not yet had the advantage of hearing what Mr. Jinnah has to say about it. I would merely point out that, apart from other considerations, no Government in the world could accomplish the task he would set the Government of India within the time he has allowed for it. If one treaty took eight months, how long would half a dozen negotiated simultaneously take? But I would put the matter on a higher plane than that. Why enter on your negotiations with the United Kingdom in an atmosphere of suspicion and distrust, as you must inevitably do if you denounce the Agreement? What will you gain by that? We, on this side, have made our position perfectly clear. We think that there is a strong case for the continuance of the Ottawa Agreement and it is in that belief and in the hope that we shall induce the House to accept it that we have brought here the battery of experts of whose presence the Leader of the Opposition has complained. But we realize that the Ottawa Agreement has not, in all respects, realised the hopes of those who entered into it on India's behalf and that it is susceptible of improvement. It is in that belief that we have asked the House to have it examined by a Committee of the House to which we on our part would render all the assistance in our power. I would remind the House that the United Kingdom, as the oldest industrial country in the world, is becoming increasingly a producer of specialised classes of goods. Newer industrial countries, such as India, are in the main concerned with the production of less skilled goods of somewhat lower quality. In the welter of industrial competition, it is the almost universal experience of industries in India that there is less competition from the United Kingdom than from other countries. The experience of the Indian Tariff Board over a wide range of industries,—steel, cotton, sugar, matches, paper, silk and wool—has been that the principal sources of competition have been countries other than the United Kingdom. There is less reason to fear adverse competition to our industries from a trade agreement with the United Kingdom than with any other country. Surely, in these circumstances, Sir, it is worthwhile to promote goodwill with the United Kingdom in business matters. The possibilities arising out of such goodwill have been amply illustrated by the work of the Lancashire Cotton Committee on which my Honourable friend, Sir Bryce Burt, has dwelt. If a policy of goodwill in trade matters with the United Kingdom is worth-while, a renewal of the Ottawa Agreement in such improved form, as this House may ultimately decide, is the most helpful step that could be taken to give effect to it.

I have endeavoured, Sir, to deal with the business before the House from the strictly business point of view. As an Englishman who has striven for over 33 years to serve the best interests of India as he has seen them—I admit that his sight is far from infallible—I could have said much from another point of view. But I will do no more than commend the motion moved by my Honourable friend, the Commerce Member, most earnestly to the consideration of the House, which is about to take perhaps the most fateful decision in its history. (Loud and Prolonged Cheers.)

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I am really sorry that my Honourable friend, Sir Homi Mody, is not here. He made a fine contribution to the debate this morning, and, while he was speaking, I was reminded of the speech which he delivered when the Ottawa Agreement was discussed on the floor of the House three years back. Sir Homi Mody then said—I may correct myself, he was Mr. Mody then—and so Mr. Mody of 1932-33, who is Sir Homi Mody of 1936, made certain observations which befitted Mr. Mody on that occasion as much as his remarks today befit Sir Homi Mody. But there was more of sense and wisdom in what he then said under your leadership, if I may say so . . . .

Sir H. P. Mody: Due perhaps to dotage.

Pandit Govind Ballabh Pant: All changes are not due to dotage. Lucky caterpillars are metamorphosed into butterflies as they grow old. That is not a question of dotage or disadvantage either. The change may be due to cause, latent or patent, but there it is and even he dare not deny it. But I was not surprised. Sir Homi Mody burnt his boats on the day he entered into the Mody-Lees Pact and my regret is that, while burning his boats, he hurled into the sea the pale skeleton of the inherent right to freedom of trade of India, and, after what he had then done, there was no hope for or from him, and he was irretrievably lost. Sir, he has since allied himself irrevocably with a particular school of commercial opinion in this country. I am reminded, if I am not mistaken, that, last time,

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when he contested a place in the Merchants Chamber of Commerce, perhaps in Bombay or some other commercial organisation (Interruption)—my Honourable friend says that it is not so, and I will, therefore, not pursue this further. However, Sir, I conclude that even Sir Homi Mody feels that the Agreement, as it is, is not satisfactory. He agrees with that view. On the floor of the House, we have been again and again told by our friends Opposite and by the sponsors and the supporters of this Agreement that we must deal with it in a spirit of reason, free from bias and free from passion. They do not want us to import any political prejudice or any emotion into it. Is it due to their guilty consciences that they should be repeating the same admonition over and over again? I recognise their difficulty. I am prepared to concede that it is not open to Honourable Members on that side to take an unfettered view of this question and to give their votes freely as they choose. I do not insinuate that they do not agree with the Government motion, but even if they did not, they could not but submit to the decision of the Government. I am prepared to ask them to consider the question on its merits free from emotion and free from passion. What is the position? Nobody in this House, I think, wants to swallow the Agreement as it is. There are some who want to throw it out, but, as the amendment of the Leader of the Independent Party clearly prescribes, even they want to give instructions to the Government to proceed further with bilateral agreements with as many countries as may be possible; then, on the one hand, none wants to block the door, and, similarly on the other, none is prepared to accept the Agreement *in toto*. After all, there is really not much difference in substance between the two courses, namely, revision and termination with freedom to revive. I say, if you look at the question in a dispassionate manner, then for those who do not want the Agreement in the present form and those who wont have it except in a revised form, there is only one course open and that is to vote for the amendment of the Leader of the Independent Party. You will, thereby, be eliminating the present Agreement, and its elimination becomes necessary the moment you want any change in it. So, if Honourable Members are prepared to look at the question unfettered by any prejudice, political, racial or otherwise, then their course is facile and easy enough. For all those who want any change, there is only one course and they must support the amendment. So far as the amendment of Mr. Gauba goes, even his mind seems to be working in the direction of terminating the Agreement as he considers it necessary to empower the Committee to make recommendations to that effect.

This morning we heard about marriage and married alliance. Well, Sir, we on the one side want to divorce the shrew before entering into negotiations for a fresh marriage with a beautiful damsel; my Honourable friend, Mr. Gauba, on the other hand, wants to negotiate for a new marriage with the shrew on the one side and a coffin on the other. That does not seem to me to be a reasonable way of handling the situation. Either drop the idea of a fresh marriage or have a divorce. But you cannot have both things together.

Then, I find the best argument in support of our amendment from Dr. Matthai and Sir Girja Shankar Bajpai. Well, Sir, Dr. Matthai stressed again and again one significant point, and it was this: that the Agreement should be considered in the light of the circumstances as they existed in

1932. And he laid great emphasis on the point that, if you want to judge this Agreement on its merits fairly and judiciously, then you must take back your mind to 1932 and then pronounce your judgment upon it. Well, what is the natural inference? The inference is this that, if he had entered into a new agreement today in the light of the circumstances as they now exist today, he would have considered it improper and perhaps criminal to enter into this pact. If that be his argument, then the natural conclusion is that, in the altered state of circumstances as it exists today, this Agreement is a misfit, and the only thing you can do is to place it on the cremation pyre and set fire to it. My Honourable friend, Sir Girja Shankar Bajpai, read out some scholarly extracts from the League of Nations literature. I have some little acquaintance with these things. I have no quarrel with his quotation to the effect that bilateral agreements tend to restrain trade. Well, there is nothing novel about it. That is one of the features of the Ottawa Agreement. And, then, he proceeded to say that such agreements are pernicious in principle, perilous in effect and dangerous in consequences, where such an agreement is entered into between a creditor and a debtor country, specially so far as the debtor country is concerned. So India being a debtor country, a bilateral agreement between India and England,—and about England's history in the matter of trade I will have to say a few words later on,—when India is a debtor country and England is a creditor country, stands self-condemned in accordance with the principles enunciated by the League of Nations, supported by the Banking Committee and endorsed by Sir Girja Shankar.

Sir, we have been asked to deal with this matter in such a manner, as not to provoke retaliation, but to promote goodwill. I do not exactly know what is meant thereby. Our friends want to deal with it without introducing any emotion, without any appeal to the heart, as hard-headed business men. On the other hand, they want us to lay store by goodwill and to work in such a manner as to earn a concession from a stronger party for a weaker one. That attitude does not seem to me to be consistent; but I want to remind Honourable Members of one fact, and I think that is a conclusive answer to it. Who has set this ball rolling? Is there anything novel in it? And what did the United Kingdom do in 1932? When it passed the Import Duties Act, it held out a threat to India that "if, within six months, you do not accept a scheme of preference according to our wishes, the duties against your goods will be raised to a prohibitive degree". Was that not a threat? Was the goodwill of India to be stimulated and evoked in that manner? Did England in any way apprehend that this method of approach would stand in the way of a rational treatment of the subject by us? Did they fear that India would get angry and not look at this Agreement, because they had held out such a threat? But we, on our part, are not holding out any threat. We only say that this Agreement we do not consider to be in the best interests of our country, and if the interests of our country are also the interests of the United Kingdom, we expect the United Kingdom to accept that view. But, if the interests of the United Kingdom are divergent and conflicting against those of this country, then, of course, the whole scene changes. So I say that those who refer to goodwill must bear in mind that we are making a start much more softly than the United Kingdom did; and that that act of the United Kingdom, by which the Import Duties Act was placed on the Statute-book, was of a much more effective and conclusive character than our giving notice of the fact that we wish to terminate it after six months. And, after all, the best method of

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appreciation or admiration is imitation and we are simply following in the heels and footsteps of the United Kingdom, only much more tenderly and cautiously than the United Kingdom did.

Now, Sir, there is another question, and I want to face facts as they are. Why was this Agreement entered into? It was from the very beginning, according to me, an immoral arrangement. I say that on the basis of the statements that have been made on the floor of this House by the sponsors of this Agreement. They say: "We were in a helpless position. The United Kingdom had passed a law which was likely to threaten our exports to the United Kingdom very seriously. So, when the United Kingdom stood before us with a pistol in hand, we had no choice to make; it was a Hobson's choice, and we accepted it." In those circumstances, this Agreement was entered into, under coercion, under threat, without a free will, without possessing that element of free volition which is the essential part of every genuine agreement between any two parties. An agreement which has been obtained by such a threat is, I think, *ab initio* and initially invalid. So I have no compunction in throwing out this Agreement. Then, Sir, who wanted this Agreement, and why was it at all evolved? I am sure that the United Kingdom has never been too much worried by the trade requirements of India, and that was not the motive behind it. That was not, at least, the guiding factor with which the start was made. We also know that the United Kingdom had before that abandoned the gold standard. We also know that the United Kingdom, even at that time, had preferences in steel and iron and cotton textiles imported into this country. Yet they held out that threat to us. And what was the reason? The reason was this that, between 1929-30 and 1931-32, the exports of the United Kingdom had gone down by 65 per cent., while her imports had gone down by 56 per cent. The United Kingdom wanted to promote her export trade. Besides that, the balance of trade which, in the United Kingdom, taking all visible and invisible items into account, had always been of a favourable and profitable character, had been reduced to an unfavourable balance of more than £100 millions. I will not refer to other factors. The United Kingdom found that her very foundations were slipping away from under her feet, and the only way to shelter her existence by means of props was to fall upon those who could not resist her wishes. That, Sir, was the genesis of this Agreement. Was it, after all, in the interests of India that the Agreement was entered into? I will tell you that the position of India would have been much better today, without this Agreement, than with it, and I will convince Sir H. P. Mody if he has an open mind. We have been asked again and again to go back to the environments and circumstances as they existed at the time this Agreement was made. I say that, if you want to form a correct judgment of this Agreement, you have not only to go back to the year when the Agreement was entered into, but you have also to go back a little further behind. And, if you do that, what do you notice? After all, these matters of international trade are not to be decided on calculating whether you have been able to sell 10½ ounces more of linseed than in the previous year, or whether you have been able to buy 5½ chattaks of cocaine less in one year than in the other. There are greater, and, I think, better tests to deal with these matters. What were the tendencies of trade before this Agreement was entered into, so far as India *vis-a-vis* the United Kingdom was concerned, and what has been the advantage

since? I will let Sir H. P. Mody have the answer. From the year 1929-30, when the slump set in, there followed a striking reversal in the order of trade between India and the United Kingdom. India's share in the export market of the United Kingdom was increasing continuously, year by year the increase was about ten per cent., from 1929-30 onwards; while the share of the United Kingdom in the import market of India was going down continuously, with the result that the trade was getting more and more unfavourable to England and more and more favourable to India. The balance of trade which is always unfavourable and negative between India and the United Kingdom, about which I will have to say a few words later, was getting better in the interests of India and worse for the United Kingdom. I think there was an unfavourable balance of Indo-British trade to the extent of 31 crores of rupees against India in 1929-30, which had been converted into an even balance in 1931-32. So India, obviously, did not require any agreement. Left to herself without any fetters, India would have further improved her position in the United Kingdom market and also in her own. In the circumstances, so far as India is concerned, there was no need for an agreement of this type. Well, what happened after the Import Duties Act? If you look at the figures of 1932-33, you will find, as has been admitted by all, that it was the worst period, and it has to be borne in mind that, in 1932-33, India had the benefit of preferences in the United Kingdom market as in 1933-34. If, in 1932-33, Indian imports to the United Kingdom went down in spite of those preferences—and they went down by a considerable amount,—then the natural inference is that these lower import duties did not render any assistance to India.

Coming to 1933-34, I admit that there was a slight improvement in trade. I am not going to deal with matters of detail or with some increase of quantum or value here or some decrease there, but taking the salient facts, you will find as the "Review of World Trade, 1934", testifies, that "exports of the main non-industrial countries profited during the latter part of 1933 and the early part of 1934 from a rise in the demand for raw materials on the part of industrial countries". So it was a common world phenomenon. Besides, you have also to bear in mind that there has been a certain degree of expansion in trade all the world over. It rose by about four per cent in 1933-34 and five per cent in 1934-35, so that, if there had been a little increase, that was natural and inevitable, but I again contend that it was not because of these preferences.

Now, Sir, the preferential articles can be divided into three groups: firstly, those in which India had a 70 to 90 per cent. market in England even before the preferences were given; secondly, those in respect of which India has to compete inside the Empire with other countries; and, thirdly, those which are needed for industries in England—most of these are meant for industries. As Honourable Members are aware, the rebate on linseed has, since the Ottawa arrangement, been raised from 50 to 60 per cent. As they are also aware, the import duty on tanning materials has been removed during the interval. So that, so far as India is concerned, except in the matter, I concede, of carpets and rugs, there is not a single commodity which really benefited by means of these preferences. Tea became the subject of an international combine: the linseed crop failed in Argentine, in 1933-34, and, as Honourable Members are aware, the produce of Argentine in the matter of linseed is about five times that of India. Sir, much has been said about raw cotton. All that dramatic display is raw indeed. The increase in raw cotton was not much more

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than what it was in 1929-30—not more than ten per cent. of our raw cotton ever goes to the United Kingdom. The real truth is that there were, even in pre-Ottawa days, abrupt fluctuations in the cotton trade between India and the United Kingdom in the past. As to the increase in 1933-34, as the "Review of World Trade" mentions, the cotton market in the United States was tight and uneasy, and raw cotton was not available in 1933-34 from the United States of America in such quantities as were needed. Besides, the parity was in favour of India, the London price of Broach being about 70 to 80 per cent. of that of New York. In these circumstances, from a little increase in cotton,—it cannot be inferred that the trade of India has benefited. But there is a large question which faces us, and it is this. What do we mean by trade and what for do we trade with a country? Is it to earn profit or is it to incur loss? After all, what is the state of trade between India and the United Kingdom? I may tell you that, during the ten years between 1921 and 1930, we had an aggregate unfavourable balance of 450 crores of rupees in consequence of the trade between India and the United Kingdom. And how mercilessly did and does England suck . . . . .—I won't finish the sentence. One Secretary of State said that India had been bled white—just remember Rs. 450 crores taken away from a poor country during ten years—in trade alone—a country from which the United Kingdom has been receiving various other advantages in fulfilment of other political and economic obligations. Besides, the United Kingdom receives other benefits of an incidental character because of her trade with India, such as shipping, freights, which amount to an appreciable extent, and, if that trade were diverted to other countries, the United Kingdom shipping would suffer.

What I want to impress is this, that the trade between India and the United Kingdom had this invariable characteristic that imports from India to the United Kingdom were always outstripped by exports from the United Kingdom to India, with the result that India had to tap other markets all over the world in order to bridge this gap between the United Kingdom and India. I repeat Dr. Matthai's question: "what is the scope and purpose of this Ottawa Agreement?" The purpose and scope of the Agreement evidently is to make this artificial agglomeration known as the Empire more and more economically self-contained. That will spell disaster to India. Dr. Matthai remarked that the two stand on an even basis under the Agreement, that the advantages to India and the United Kingdom have been almost balanced, with the result that, as trade increases between India and the United Kingdom—if the statement of the Honourable Doctor is correct,—the gulf will go on yawning and the deficit and the adverse balance of trade will rise in proportion. In these circumstances, is it worthwhile concentrating on trade inside the Empire and giving up those with whom our trade has always yielded a profit to us? It is an irony of fate that while the United Kingdom has had an unfavourable balance of trade with reference to every other country in the world except India, for three rupees worth of goods sold by the United Kingdom to every country outside India she took four rupees worth of goods from those countries, it was reserved for India alone that her exports should be outstripped by imports from the United Kingdom.

We were asked "what is the loss, what will you suffer?" I ask Sir H. P. Mody whether there can be two answers to the question. As you increase your trade with the United Kingdom, your loss increases day by day and year by year, because the unfavourable balance gets worse. When you trade with other countries, your favourable balance gets better. And we are asked "has there been any retaliation?" I say, there has been. Who does not know that France, in August, 1933, imposed duties on linseed, ground-nut and everything else—on all articles that could be taken there—except when imported into France direct from her own colonies. It was because of the retaliatory spirit engendered by this Combine inside the British Empire. Then, these duties were raised further by France in May, 1934. Those who have read the reports of the Indian Trade Commissioner at Hamburg must be knowing that the state of our trade with France and Germany is really disquieting and worsening from day to day, and unless some remedy is devised without delay, it will not be possible to repair it later.

Sir, I have to make only a few more observations. The question is such that one would like to speak on it for a considerable time; there are various aspects of the matter which come to my mind, but I feel that I must be fair to the House. I will only say this, that if the United Kingdom wants to improve her trade with India, she will have to disabuse her mind, she will have to give up her old prejudices and she will have to adopt an attitude of genuine friendship towards India.

Sir, I would be unhappy if I felt that my attitude towards any country in the world is petty or vindictive; and I would
3 P.M. consider myself foolish if I were going to cut my own country in order to spite Britain. But I would not be carried away by false appeals from interested quarters. Mr. James spoke the other day with great fervour. Does he not know what Sir Gavin Jones has said about this Agreement? He accepted that this Agreement has not been equally advantageous to this country. Let us compare the relative positions. The recovery in England during the last two years has been of a more or less phenomenal character. The production index has gone up much higher than what it was in England in 1929-30. The index of prices also has gone up considerably: their balance of trade has been turned from an unfavourable to a favourable one to this remarkable extent that, after meeting the excess of imports to the tune of about 200 millions, England was able to have a concrete net balance of 37 millions this year. And, in our own country, what do we find? The railways have become a liability. The goods traffic has suffered, and, as the Honourable the Commerce Member admitted in his speech, an appreciable part of the loss was due to the stoppage of the trade of India with France in the matter of groundnuts, subsequent to the Ottawa Agreement. Our prices are still the lowest in the world. The prices of primary products are much lower than those of manufactured articles. There are wails of deficit from every Provincial Government. In these circumstances, can any doubt be left that our condition is really pitiable and this Agreement has stood in the way of our attaining even that amount of recovery which the poorest of countries have attained on account of a change in the general economic level.

Sir, I wish to tell Honourable Members opposite that every article that England sends to this country is sheltered under protection for England.

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If you include textiles and steel and iron—and I see no reason why they should not be—none of the articles on which preference has been given by the United Kingdom is likely to affect the development of any industry within the United Kingdom itself; while, in our case, we can build up all these industries here. This is said to be an age of national self-sufficiency. Countries are fighting for raw products and for the possession of territories which yield raw products. The future lies with those countries which own raw products. That is the lesson of the struggle between Italy and Abyssinia. All portents point that way: but there is yet time for the United Kingdom to extend the hand of fellowship and friendship, honestly and sincerely. If it is done in the interests of this country, it will be grasped. If not, nations are by themselves made, not only politically, but also economically. (Loud and Prolonged Cheers.)

Mr. M. A. Jinnah: Mr. President, before I deal with my amendment, I would like to make one or two observations with regard to the newly acquired responsibility of this Legislature. Not very long ago,—I think a few days ago or a week ago,—the position taken up by the Finance Member was: "We and we alone are responsible for defence, law and order, and finance. We cannot share that responsibility with you." I was aware of that, but I thought after all that this Legislature had some kind of voice in the matter and so we pleaded before the Finance Member. His answer was: "Under section so and so of the Government of India Act, His Excellency the Governor General has recommended the Bill for you to consent to it: otherwise it will be certified." Then, I thought he was not a Finance Member who was speaking to the Legislature, but it was a rent collector. So I pleaded and I said: "I am sorry: somehow the salt cut was made which I am willing you should have—eight crores: at least meet me with regard to the postcard which means only 50 lakhs: it will make a great difference to my voting if he would give me the answer." He ignored it. On the 26th of this month, in the morning, another Member speaking on behalf of the Government said: "This Assembly, in accordance with the obligation undertaken by the Government, is now transformed into a completely responsible Legislature, and whatever decision the Assembly gives, the Government will accept it." Sir, this Legislature is going to continue its responsibility, which commenced on the 26th instant until the 30th instant at 5 o'clock, or, to be more accurate, until the division is taken." After that, where will this responsible Legislature find the Government which is responsible to it—It will be again the Government which has got its body in Delhi or Simla, the Government which has got its soul or heart in a well-known street called Downing Street in the vicinity of Whitehall, and a Government which has got its head in Westminster? (Laughter.) We are in a very difficult position. What are we told? What is the position now? I can assure Honourable Members on the Treasury Benches—and I rather regret specially that it came from Sir Frank Noyce—he said he knows that we have made up our minds, he is not going to make any impression on us, but his only duty, the simple duty of a simple man, was to state his case: for whose benefit? May I know, for whose benefit did the Honourable Member state his case? Not to persuade us not to convince us: then, what purpose or object did you have in mind? . . . . .

Mr. R. M. MacDougall (Burma: Nominated Official): Address the Chair.

Mr. M. A. Jinnah: I am addressing the Chair.

Mr. R. M. MacDougall: On a point of order, Sir: the Honourable Member was not addressing the Chair.

Honourable Members: Order, order.

Mr. President (The Honourable Sir Abdur Rahim): Honourable Members must leave it to the Chair to deal with the point of order.

Mr. M. A. Jinnah: I am addressing the Chair: the Honourable Member, who interrupted me, has no experience of parliamentary debate. I am addressing the Chair, and I referred to Sir Frank Noyce's speech.

The Honourable Sir Frank Noyce: I can answer the Honourable Member . . . . .

Mr. M. A. Jinnah: I do not want an answer now: I do not want to give way at present till . . . . . .

The Honourable Sir Frank Noyce: My Honourable friend was addressing me: he was putting a question to me: if that is so, I maintain that I am entitled to answer him.

Mr. M. A. Jinnah: I will give way to my Honourable friend after I have finished with the interruption. I was addressing the Chair. I was addressing the Chair. I said that the Honourable Sir Frank Noyce made a speech, and I regretted the expression he used in it. I said, for what object did you use that expression? Well, I am perfectly prepared now to give way . . . . .

Mr. President (The Honourable Sir Abdur Rahim): He need not give way if he does not want to.

Mr. M. A. Jinnah: No, Sir, I will, because I do consider it is a courtesy that this side should extend to Government Members when they want to answer a question, we should always give way. I am prepared now to give way.

The Honourable Sir Frank Noyce: I said, Sir, that I was not going to convince my Honourable friends opposite. By my Honourable friends opposite, I was referring to the Opposition. It may be that there are some other Members who are still open to conviction, and I was not without hope that what I said might have some effect on some of them.

Mr. M. A. Jinnah: I accept the modification that there are some people who are still open to conviction, not within the definition of my Honourable friend, Sir Homy Mody. (Laughter.) I can assure the House that if I was convinced at this moment, I will withdraw my amendment without hesitation. I do not care who agrees with me and who does not agree with me. If I am convinced in my mind even at this

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moment that I am doing something harmful to the country, I shall withdraw my amendment at once, and I do not care who goes with me into the lobby and who does not; I shall have no other consideration. I have taken a certain view. Some of us have taken a certain view, and the Government have taken a certain view. Surely the very object of this debate is either we should convince the Government or the Government should convince us. And what is the object of the division then? However, Sir, I shall not waste any more time on that.

Let us get back straightaway now to my amendment. Sir, it was said that some Honourable Members did not understand my amendment. It was also said several times that I did not get up earlier in the debate and explain what I really wanted by my amendment. I don't think that Honourable Members can really complain that the amendment is not clear. The amendment is very clear. It simply means this—give notice to terminate immediately; start negotiations with the United Kingdom and with such other countries wherever and whenever possible with the main point in view,—and I want to emphasise this,—the expansion of the export trade of India. ("Hear, hear" from Opposition Benches.) That is the main point. The answer to that is a rival proposal, and that proposal is to go into Committee. Therefore, the only question before this House is, should we go into committee or should we not.

Now, let us examine, as the Honourable the Mover said, the position. The question is, which is the suitable way of dealing with this issue in a suitable manner. In order to consider the question whether we should go into committee or not, we have also got to consider where we stand, and what is the past history of this Ottawa Agreement. My Honourable friend, Dr. Matthai, whose speech I admired, and I think he might be congratulated on having made a clever speech as an expert, but an expert who was briefed by my opponent,—if he had been on my side, and if he had been my expert, he would have made a more brilliant speech than he has done—("Hear, hear" from Opposition Benches)—Dr. Matthai very rightly says, let us get into the psychology, the background of the moment when this Agreement was entered into. Now, let me also get into the psychology and the background of the moment when this Agreement was entered into. Great Britain decided in 1930, I believe, I am not quite sure, but a year before the Ottawa Agreement,—I think it was in 1931, to go off the gold standard. Did Great Britain consult any one of us here? No. Great Britain went off the gold standard and linked the Rupee to the Sterling. Were we consulted about it? No. In March, 1932, British Import Duties Act was passed. Were we consulted? No. What were the Empire countries told? They were told that if by November, or, within, roughly, six months "you do not come to any terms with us, we shall have to decide and impose duties on your goods". Well, Sir, the Government of India at that time, as usual, had to carry out the orders. So they said: "Very well, we will send you the Indian delegation". They picked up the delegation, Sir. Most of the names that are there certainly do not occupy any position of importance in the commercial, the industrial or the agricultural world of India. It is admitted, it has not been disputed, although some little effort was made this morning by the Honourable Mr. Stewart, it is admitted over and over again that the Government of India did not really have, nor the delegation did have, on their side when they went to London and Ottawa

any responsible representatives, commercial, industrial or agricultural, to advise them. ("Hear, hear" from Opposition Benches.) And, now, let us further go into the psychology a little bit. What happens there? An amazing thing. Our delegation, it appears from their Report which I have got in front of me, were beaten into this mentality, and this is what they say at page 9:

"The issue so long debated whether there should be a general scheme of trade preference within the Empire was not settled, and the question which those responsible for India's fiscal interests had to face was whether India was justified in maintaining her former attitude of aloofness, whether in fact she should afford to stand out of an Agreement which seemed likely to include most, if not all, Empire countries other than herself."

This is the important part:

"It was no longer a question of what India stood to gain, but of what she stood to lose."

Our delegation was in this position. So, I use the expression of the Honourable the Mover—the Honourable Member said, negative advantage, insurance value. It was a negative advantage, an insuarnce value when this Agreement was made, and it is the same argument today. That is No. 1 to show the psychology. Then, what happened? Another most amazing statement was made by our delegation; a most damaging, a most fundamental admission, was made by our delegation which is not true. The Prime Minister in his speech says this at page 52:

"I am informed that in respect of certain classes of goods you have lower duties on British than on foreign products, but that this differentiation was, as a matter of historical fact, made solely in the interests of India, and without any desire to confer a favour on this country or from any belief in the policy of Imperial Preference. I suppose, therefore, that I should be wrong in expressing gratitude for the differentiation, but I cannot refrain from expressing my satisfaction that it has been found to be in the interest of India to do what is undoubtedly in the interest of this country and I am confident that in other directions also it will be found that Indian industries are complementary rather than competitive with British."

Reference here to certain classes of goods was made by the Prime Minister because of a statement made by our delegation. Our delegation made this statement.

"Theoretically, it might seem that preference in the case of protective duties would be excluded altogether, but practically the result has been different. One of the most interesting things about the Indian system of protection is that it has led directly to what has been in effect, if not in intention, a preference for Empire goods. In two very important cases, iron and steel and cotton piece-goods, it has been found that the imposition of a lower rate of duty on goods made in the United Kingdom is entirely consistent with Indian interests."

And that statement was repeated by the Honourable Sir Frank Noyce in his speech. He said that, so far as steel was concerned and the textiles were concerned, the differential duties were adopted solely in the interests of India. I challenge that statement. (*Opposition cries of* "Hear, hear.") I know more about it. I know the whole history of this case, and I have got the report before me. In 1930, when the Textile Protection Act was passed, it was Imperial Preference, not only Imperial Preference, but it was forced upon us with a pistol in their hand, and the Honourable Member in charge of that Department on behalf of the

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Government of India made the statement on the floor of this House: "If you change it, we will withdraw the Bill." I am making a present of this to Sir Frank Noyce for him to read it. When I was in this Legislature, I felt that even the small protection which was afforded to the textile industry—if the Bill was withdrawn, the situation was so emergent, so dangerous that I stated on the floor of this House: "I do not agree with you, but since you have decided to withdraw this Bill, if I do not support you, I have no choice but to save the Bill." Do you say to me that this statement of our delegation is correct? I know something about the Steel Bill. I had a great deal to do with it, and it is correct to this extent that differential treatment was offered. And that Bill was only for three years. We felt that during that short period the particular kind of steel that Great Britain imported here we could not make, and it would take some time before we could make such an article, and we thought, therefore, that at the moment it was not desirable to put an extra burden on the consumer at the same time, though we were aware and felt that indirectly we were prejudicing our industry, because it was a check to the growth of that particular kind of article being manufactured. Still, believe me, I was a party to it. I realised that, I understood that, still, I said, let us make a gesture of goodwill. And we provided that if at any time it was brought to our notice that the British steel which got this differential treatment was seriously competing with our steel, we reserved to ourselves the right to raise the duties and it was so provided in the Statute. Never mind, I am not now carried away by that, I am only replying to the psychology behind. I would not have bothered about it or taken the trouble of studying that part. I will tell my Honourable friend, Dr. Matthai, never mind that psychology. Dr. Matthai's case is that the terrible cataclysm, the complete dislocation of international trade generally was so grave, so dangerous that India could not stand aloof, but had to fall in. Very well. Then, I asked him the question, will you tell me what is your opinion after three years? And that is the question which we have to consider today. I am not going to discuss in detail, linseed this, or coffee that. And that is where I differ and feel that the debate is off the track. The question before the House is this. Here, again, I may quote the words of my Honourable friend, Sir Frank Noyce, and I am extremely obliged to him, because I think he put it very frankly. I would like the Honourable Member to listen to what I am going to say. If I understood him rightly, the Honourable Sir Frank Noyce stated the case very frankly, and that is the crux which this House has got to consider. What did he say? He says: "This Agreement must be continued, but, in matters of some details, if you are not satisfied—correct me please if I am wrong, I am only giving the gist of your words,—if you are not satisfied in matters of details, then examine them by a Committee." I would say "Yes" to that proposition at once if I could agree with him that it was a question of some details, some modifications in a few or two or three or five articles—I would say, yes, even though personally I would not recommend a Committee of this House, as it would be perfectly useless. I would then suggest something different—I would say, after all, the framework, the structure of this Agreement we do not want to change, it is only with regard to some matters of detail, and the Government also now realise that those terms

do require further consideration before urging upon His Majesty's Government on behalf of the United Kingdom to revise them. But, Sir, I would have suggested the appointment of a Committee of people who do understand their business. Have the Government even today got any idea after three years as to in what direction it requires revision even in details. What have they been doing for the last three years?

Mr. N. M. Joshi: Propaganda.

Mr. M. A. Jinnah: No. Government have nothing to say. They throw these papers at us. I am much obliged to Dr. Matthai. It has given me lot of trouble to read all these things. They throw these statistics at us and say: "Here it is, get into a Committee". Supposing we do get into a Committee, what shall we do? My friend, Mr. James, says: "We want to sit with Mr. Jinnah and discuss and examine". This is not a matter for examination. This is not a matter for our Legislature to decide upon. Supposing the Committee is appointed—I am talking of details now—then, what happens? But, before that, let me point out that clause 14 of the Agreement itself provides that, if one party or the other is dissatisfied in respect of any of the articles mentioned, it will be open to it to approach the other party and say what they want: "If an adjustment is arrived at within six months, well and good. Otherwise it is open to the other party to give effect to what they think proper". But I am still doubtful whether you can ask U. K. to change its tariff with regard to the preferred list of exports by sitting on this Committee and prepare a draft agreement *ex-parte*. After all, you have got to negotiate with His Majesty's Government representing U. K. before any agreement can be reached. Will U. K. be on this Committee? Supposing, for instance, this Committee, or only Mr. James lays down that the preference on linseed should be raised to 20 per cent., we cannot decide it here for U. K. We have no power to give effect to it, and, supposing, Sir, I definitely in my Committee say this and the Committee report comes here and I endorse that, then, what is the value of it? It means an ultimatum that for linseed, this Parliament, this responsible Legislature of India, has decided that linseed should be raised to 20 per cent. The Honourable Member in charge of the Government and the Government will be merely a post office carrying the ultimatum of this House. That is not negotiating an agreement. Is this the object for which you want to appoint a Committee? I say, Sir, that there was a clear duty and obligation on the part of the Government of India to have examined by now whether this Agreement requires any revision in details or not if that is the case. They ought to have been ready to put before this House their views that these are the articles where we must press for something more, and then the House might have said: "Very well, we agree with you". You appoint some committee of experts, that will go into it thoroughly, of men who know their business, who are specially skilled in this particular line like my friend, Dr. Matthai, and some commercial representatives, industrial representatives and agricultural representatives. I know there are some in India. Then, let them put their heads together, go to London and negotiate as my Government, as my executive, and then come back to me and say to me: "Well, we have done our best. This is what we have got, and what we have got is good, and now we want this Legislature to accept it". Well, Sir, if I then don't accept it, provided, of course, it is good for India, there must be

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something wrong with me. This motion tries to shunt us off to this futile Committee. It is in my opinion absolutely a dilatory motion; I do not admit the propriety of it. My main point is that, if a committee is to be appointed, it can only be on the basis that the basic principles of this Agreement continue. The main structure and the fundamental principles of this Agreement should continue, and revision should take place with regard to matters of detail. I cannot subscribe to the view that it is a question of details, and I tell you why. This is a question not of repair. It is a question of rebuilding. Whether I am right or wrong, it is for this House to decide. Why do I say it is a case for rebuilding? I tell my friend, Mr. James, that on the day this Ottawa Agreement was signed, the ship was sunk, and I am here to see what I can do with the wreckage. I am doing salvage work. After this Ottawa Agreement a Committee was appointed to consider whether the Agreement should be ratified by this House or not. We got two reports, dated 28th November, 1932, the minority report, and the majority report. At that time, the minority did not consist of Congressmen. The Congress Party was not here. This is what they say. I shall put it in a very few sentences. The majority report, to which my friend, Sir Hormasji Mody, was a party, said that the only test that they could apply to say whether it was good or bad was time and experience. Try it, they said and then we shall see. I ask Sir Hormasji Mody and I ask any business man this question: You enter into an agreement and you don't know whether it is good for you or bad for you.

Sir H. P. Mody: Read the whole thing.

Mr. M. A. Jinnah: I have not got the time, but this was their main point. I have got no particular grudge against Sir Hormasji Mody. I am only talking of the Committee as a whole. But, what did the minority consisting of three eminent men say? The Agreement was not in the interest of India and should not be ratified. Then, another Committee was appointed after fifteen months, whose report dated 30th August, 1934, never was placed before this House; and, again, "minority" and "majority" reports. I am trying to correctly represent the facts; again that Committee sat and concluded, the majority, that fifteen months were not enough to really judge the *pros* and the *cons* of the question. Here is a business man who has been carrying on this business for fifteen months, and he says—"well, you cannot say yet, wait and see." (Laughter.) Then, we again have the various arguments about "cataclysms", and so on. But the minority practically say the same thing what I am saying now, that you should put an end to this Agreement and start negotiations to enter into an agreement with such countries as you can, having regard to the trend of the trade and with the object of an expansion of trade . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has spoken for 25 minutes.

Mr. M. A. Jinnah: I do not want to speak any more, Sir, if you will stop me.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not want to stop the Honourable Member. The Chair is simply reminding the Honourable Member of the time-limit that was arranged.

Honourable Members: Go on, go on.

Mr. M. A. Jinnah: I do not want to take up the time of the House, but, you must remember, Sir, that I have no desire really to go on with this matter any more, but, on the other hand, there has been a great deal of criticism from various parts of the House that they would like to hear me, and, if they really want to hear my views, I am willing to give them my views, and, if I am to speak, I may not be able to adhere to the time-limit. I was going to say this. In the Minority Report dated the 28th November, 1932, at the time when the Agreement was ratified, the whole case was examined, and at that time the Minority Report made out its case against the Agreement referring to the whole matter item by item. Of course I do not wish to say on the floor of this House that, when you get preference, there is no benefit. That will be absurd. No one says that when you get preference, you will not probably increase your export trade with Great Britain. I do not dispute that, but I am not concerned *only* with Great Britain. Great Britain only takes some part, a very big part no doubt, I admit that. I think it is 31 per cent. of the total export trade.

An Honourable Member: As a single party.

Mr. M. A. Jinnah: Certainly, it takes a considerable part, it is as much as 31 per cent. You cannot increase that; so, whether it is one single party or whether there are three other parties, Great Britain takes 31 per cent. Sir, I have got to think of that. Because of this preference, *ipso facto* it must obviously mean some advantage, some benefit, I do not dispute it, and I agree that the export trade with the United Kingdom must increase, necessarily, unless there are some other causes, but I have got to take my balance sheet: and if I have got other customers to the extent of 69 per cent, I find that, by entering into this coterie, this Empire unit, as against the rest of the world, call it retaliation, call it anything you like, I do not gain; it is obvious that other countries were thinking along with Great Britain long before the Ottawa Agreement was signed. This Ottawa Agreement was not sprung on this globe suddenly on the 20th of August, 1932. Years before, the discussions were going on, talks were going on, in newspapers, various public bodies and the commercial world of European countries, and naturally, when Great Britain was thinking of forming this unit, this coterie, the other nations also were thinking. They did not lag behind like we do. We are living in darkness, they are wide-awake, they are like live-wire; the moment the question was mooted, long before the Ottawa Agreement, the other nations began to think. They were also speculating—"supposing England does this, what shall we do?". They were also preparing for what was coming long before the Ottawa Agreement was signed on the 20th of August, 1932. Then, you call it "retaliation", call it anything you like,—and I can prove to my friend, Sir Girja Shankar Bajpai, that the whole of his theory is wrong. He has taken only one part and is saying that such and such prohibitions for action on the part of Germany have reduced our exports,

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and that such and such exports are prohibited absolutely. Beside ban on imports generally and reduction of foreign currency for payment of imports to five per cent., my Honourable friend has perhaps forgotten to note that they have had a system of compensation trade whereby they allow 100 per cent. to trade along those lines and treaties, with how many countries, Germany has entered into on that basis? Say, more than one dozen. My Honourable friend, Sir Frank Noyce, said here that if you are going to enter into those agreements with various nations, you may as well call an economic conference of the world. But Great Britain has entered into 19 agreements with 19 countries. Did they call an economic conference of the world in order to enter into those agreements? Why do you say to me, then, when I say to my Government this, that you must enter into an agreement with such countries as possible? I say "wherever possible and whenever possible". It is for you to consider, it is for you to decide. Now, can I enter any agreement with any other country? I say, no, you have nothing to give as long as we are tied down by the Ottawa Agreement. *All* the imports of the competitive markets of this country are included in that long list of 163 articles! What have I got left in my hand that I will give or offer to anybody? Sir, nobody would look at me. I say to Germany—"take my exports". They say,—"that is all right, what have you got to give me?" I say—"I have given all that away to England". ("Hear, hear" and Laughter.) You see you have fettered me; nobody would look at me, because I have got nothing to give, and this applies to all other countries! Well, Sir, therefore, my submission is this, that this Agreement, taking the cumulative effect, and examining the range of the entire list of exports and imports, is bad, and I have come to this clear conclusion, and it is certainly not for the benefit to India; that I think is almost admitted, but I go further and say that it is detrimental to India; and so long as I do not get free from this Agreement, I shall never get a better agreement with the United Kingdom or anybody else. (Hear, hear.) Why threaten us? Sir, I was really surprised at Dr. Matthai, who, if he had confined himself really to what he represents, it would perhaps have impressed us, but what did he say? Sir, everybody threatens us. He threatened saying: "Remember, you have got to think of the goodwill". Now, what has Dr. Matthai got to do with that goodwill? Now, I do not see why I am to forfeit the goodwill of Great Britain. Why? I say to Great Britain: "Believe me, I want arrangements with you, but it must be such as you and we shall benefit mutually, I am willing, again let us make an attempt." And I will tell you why I want to give notice, —not in order to show bad will or lack of goodwill, but the reason why I want to give notice now is this: As a business-man, I have come to the conclusion that, if I cannot get better terms, substantially, mind you, not just "details", substantially, from England, then I do not want to go on with this bad business, this losing business, and I do not want to lose one month more of suffering loss, and I, therefore, give six months' notice, if we can come to some arrangement, there will be no dislocation. There will be no chaos and there will be no lack of goodwill. But I am told, "you are making a mistake". The commercial people and bodies in the United Kingdom are dying to get hold of some excuse, and the moment you say this, they want to scrap it. So, do not do it. Well, Sir, what answer can I give to that? If that is the feeling in England,

then Great Britain is making a very great sacrifice in not disturbing this Agreement. Standing on the floor of this House, I want to show my goodwill to Great Britain, and I say: "You are really seriously suffering. I do not want this unjust Agreement, I want to come to a just agreement." (Applause.)

Well, Sir, I have finished, and I have only one word to say. It has been said that in this Committee motion, there is only one meaning and no other meaning, that is to examine. But we have had two Committees already, with the result I have mentioned already. I say, therefore, this Committee motion is a dilatory motion, and it is intended to evade the issue. A Committee either of this House or preferably any other Committee of experts can only be justified at all if it was a question of modification in details which I say it is not. Therefore, let us be true to ourselves, there is no use of humbugging each other. We are convinced that it is not a question of details, but basic principles. I, therefore, suggest that you should terminate and enter into a fresh agreement. What is the position in England? I will read to this House a message sent to India, as late as February 12, from London:

"The House of Commons by 208 votes to 135 approved of an increase in the duty on linseed oil from 70 shillings to 100 shillings per ton. Dr. L. Burgin, Parliamentary Secretary to the Board of Trade, explained that it was designed to assist the crushing industry and recalled that the duty on foreign linseed and linseed oil was imposed in consequence of the Ottawa Agreement with India. Major Hills quoted figures showing a decline in Indian exports of linseed to Britain in 1935 and an increase in exports from Argentine and said that it seemed that preference was not valued by India. He suggested therefore that Argentine seed should be allowed to enter duty free."

The House understands that the urge that was made upon His Majesty's Government is to allow Argentine linseed to enter Great Britain free of duty, that is to say take away the 10 per cent. preference. What is the answer?

The message continues:

"Mr. Herbert Williams contending that the duty on foreign linseed was causing difficulties in Britain urged that a modification of it should be sought from the Government of India."

That is to say, Great Britain must write to the Government of India and say that we cannot give you any further preference on linseed as the duty on linseed was causing difficulties to Britain.

The message goes on:

"Dr. Burgin replying said that the British Government could not alter the Ottawa Agreement unilaterally. It was not for him but for the Government of India to say whether the duty justified Indian expectations. The suggestion for an arrangement with the Government of India would be borne in mind, but he was unable to hold out the hope that they would negotiate a partial alteration when the time was so near when the whole of the Ottawa Agreement would doubtless be reviewed."

In the context, one or two suggestions are made to deal with linseed, that is to say, the preference on Indian linseed should be repealed. What does that mean? It means that if His Majesty's Government make any proposals with regard to linseed to that effect probably we will make half a dozen proposals with regard to the merits of the duty on other articles of imports and exports, and so on. Therefore, this Agreement is one

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whole, it is inter dependent. If you take away one link from that, on one side, the whole thing breaks, whereas, if you take away one or two links from the other side, the whole link breaks. To use the words of Dr. Matthai, the whole thing is so balanced, that he cannot say more than this that it is even. He will, however, contest the proposition that it is far more beneficial to Great Britain, "far more", these are safe words; but slightly or to some degree he would not say—to what degree he can't say after three years.

I, therefore, hope that the House will not be really led away by the usual cry, by the usual catch phrase, why not go into Committee, why not examine it. After all, you are the masters, you are the judges. I submit, the whole question is this, the whole issue between the Government and ourselves is this. If you go into Committee, take it from me, you will be kept roaming about for two years, and the object of the Government is not to allow you to open negotiations until the Dominion Agreements expire at the end of 1937. (Hear, hear.) Do you want to fall into this trap and give facilities to the Government to ensnare you and support the dilatory motion for committee? Then do it and suffer the loss for two years. (Loud and Prolonged Cheers.)

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, it is difficult at the end of a three days debate to attempt to meet all, or even a large number of, the points that have been sought to be made during the course of the debate. I shall, however, in winding up the debate, take up some of the more important points which have been brought forward in the course of the debate, and try to meet them, not merely with the object of meeting them, but to use them as illustrations to show that the very course of the debate has been the best argument that could be put forward in support of the motion for the consideration and discussion of this matter in committee. Nothing could have illustrated better than this debate has done that it is extremely necessary and is eminently desirable that before any final decision can be come to on this matter, whether that decision be the termination of the Agreement, or reconstruction of the Agreement or repair in details, the matter has got to be looked at more closely and in a manner which would permit of a much freer interchange of views between the different sections than is at all possible in a debate in the whole House, however prolonged that debate may be. Let me, as I have said, mainly for the purpose of illustration first deal with some of the points raised from various quarters of the House in regard to this matter. The very first point sought to be made by the Honourable the Leader of the Opposition in this connection was that the United Kingdom had not declared its intention of denouncing this Agreement under the provisions of Article XIV of the Agreement, and that, therefore, this was the best possible argument in support of the view that this Agreement is detrimental to the interests of India and that, as the United Kingdom is not seeking to denounce it, therefore India should denounce it. Well, Sir, with very great respect for the Honourable the Leader of the Opposition, I do not see at all that even assuming that his premise was correct, the conclusion necessarily follows. He views only one aspect of the question: he seems to imagine that assuming that the Agreement is working to the satisfaction of one side, it must necessarily be doing injury to the other.

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): Sir, may I rise on a point of personal explanation, if he desires it? I think it is entirely misrepresenting my argument unconsciously. What I was trying to point out is this,—and I shall put it in two sentences. My first point was that Great Britain has undoubtedly gained, and, therefore, from that direction we have no hope of wanting or expecting any termination. Therefore, we must examine it from our point of view, and, inasmuch as it has hurt us, we must take the initiative of terminating it. That is the argument.

4 P.M.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I accept the explanation on this part of the argument put forward by the Honourable the Leader of the Opposition. I regret that I should have misunderstood him, but I do assure him that that certainly is the impression that I received when I heard him. However, it is not my object to show that I understood him better than he himself understood himself, and, therefore, I accept his explanation. With this brief preliminary remark that it is possible for an agreement between two parties to work to the satisfaction of both or to the dissatisfaction of both or to the satisfaction of one and the dissatisfaction of the other, or *vice versa* I shall proceed to examine the question whether any desire has or has not been expressed or indicated on the other side for revision of this Agreement. I understand that the argument is that, as there has been no indication on the other side in support of denunciation, we might safely assume that, so far as the other side is concerned, at any rate, there is no grievance. Again, I challenge the validity of that contention. Before, however, I go on to do that, may I remind the House that when Mr. James was meeting the contention that the European Chambers of Commerce in this country had expressed no views about this matter, and he informed the House that the Chambers through their Presidents and by other means had expressed the view that they were in favour of the continuation of the Ottawa Agreement subject to modifications in certain directions, it was vehemently contended on the other side, more particularly by Dr. Banerjea, that that meant that there was a desire even on the part of the European Chambers to terminate the Agreement; because, he said, a desire for revision means a desire to terminate. If I may make use of that argument, I will put my case in this way. If I can show that there has been expressed in the United Kingdom a desire for revision of the Ottawa Trade Agreement, then, I shall have met the case that there has been no indication of any such desire on the other side, and, therefore, in default of the indication of any such desire, we may assume that the Agreement has worked to the entire satisfaction of the other side.

Now, Sir, Mr. James made reference to a report of a Committee of the Association of British Chambers of Commerce in the United Kingdom which had been set up to examine these Ottawa preferences. In the course of that report, the word "Dominion" has been throughout used as referring to the other parties to the Ottawa Agreements; and I might make it clear that, in the first paragraph, where the appointment of the Committee is referred to, it is made perfectly clear that the expression "Dominion" is being used throughout as including India. Now, what are the conclusions arrived at by that Committee?

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

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This Committee was appointed in order to obtain information from constituent Chambers as to the value and effects of the Ottawa series of Agreements, the results derived therefrom and views as to the amendments and revisions desirable in the interests of intra-imperial trade. The report of the Committee states that a considerable amount of interest has been shown in the proposal that a revision of the Agreement should be undertaken, and it recommends that negotiations should be opened at the earliest opportunity and stresses the point that, in any revision of the Agreements, His Majesty's Government in the United Kingdom should reserve to themselves the right to impose duties or quotas on the products of a dominion if at any time it is found necessary to do so for the safeguarding of United Kingdom industries.

That, Sir, is one indication, and here is another. The Federation of British Industries, an equally important commercial association in the United Kingdom, has expressed its views in somewhat similar terms. It says this:

"The Federation also desires to raise the question of the treatment accorded to manufactured goods from the overseas Empire which are imported into the United Kingdom market. These manufactured goods are at present admitted free of duty into this country with the exception of certain products which come under the McKenna or other budgetary duties. The Federation recognises the motives which at the time prompted the grant of unconditional free entry but urges that reconsideration of the treatment accorded by Great Britain to Empire manufactured goods is now due."

That is the point that I sought to make in my opening speech, that the right of free entry into the United Kingdom, particularly of manufactured and semi-manufactured goods, is a concession which British commerce and British industries are beginning to look very critically at. Again, in Parliament, in the debates of 11th February, 1936, under the Import Duties Act of 1932, references will be found to the volume of opinion in the United Kingdom against the linseed preference to which we attach considerable importance. It is also significant that the attention of the House of Commons has on three occasions been drawn to India's growing share of the carpet market in the United Kingdom, particularly by the Member for Kidderminster, an important centre of the United Kingdom carpet industry. Again, Mr. Howard, M.P., in the House of Commons, on Tuesday, the 24th April, 1934, asked the President of the Board of Trade what further steps he proposed to take to safeguard the British iron industry against undue competition from within the Empire, having regard to the fact that the imports of pig-iron from India had increased from 15,372 tons for the three months, January to March, 1933, to 28,213 tons for the same period in 1934.

Now, Sir, with the merits or demerits of this criticism of the working of the Ottawa Trade Agreement in the United Kingdom, I am not concerned. But I do wish to impress upon the House that it is not correct to contend that there has been no desire for a revision expressed on the United Kingdom side, and that, therefore, we may here assume that the Agreement has worked to the entire satisfaction of the other party to the Agreement.

The next point that was sought to be made by the Honourable the Leader of the Opposition was that the whole procedure adopted for entering into the Ottawa Trade Agreement was entirely wrong, that India had rushed into the Agreement and had not counted the cost, that what

should have been done was that we should have waited till the six months' period provided for by section 4 of the British Import Duties Act had expired, that we should then have begun to watch the effect of the Import Duties Act upon our exports to the United Kingdom, and that, if we found that serious harm was being done to the interests of India, it would then have been time enough to start negotiations with the United Kingdom for entering into a trade agreement. Again, Sir, with great respect, I challenge the wisdom of that suggestion. What is being suggested is this, that India should not have taken advantage of the intervening period between April, 1932, and the 15th November, 1932, which was being afforded, to enter into an agreement, that she should have allowed the Dominions to enter into agreements with the United Kingdom, that she should have placed herself or allowed herself to be placed at a disadvantage, not only with regard to the United Kingdom, but also with regard to the Dominions, that she should have permitted herself to be placed in the same category as foreign countries against which preferences were being accorded to the Dominions, and that, later on, when she was convinced, by watching the course of trade between the United Kingdom and India that India had become a loser, she should have gone and begged the United Kingdom to enter into a trade agreement with her. The Honourable Member went on to observe, that, by accepting an invitation to Ottawa, India went to a Conference where she was the weakest of the units taking part in that Conference. May I observe that, if India had allowed herself to be placed in the position which the Honourable the Leader of the Opposition now suggests she should have placed herself in, she would not only have been the weakest unit in any Conference, but that she would have placed herself in a hopeless position and would certainly not have got any agreement which could be called a reciprocal agreement between the United Kingdom and India. The obvious reply from the United Kingdom at that stage would have been: "You were given an opportunity of entering into an agreement at a time when neither side was quite sure as to what detailed results would follow from this Agreement, you were not willing to make an effort that something should be arranged which might help to foster mutual trade between the two countries. If you had found that the Import Duties Act did not operate in any manner which placed you at any disadvantage, you would not have made any effort to come to an agreement. You were acting selfishly in your own interests alone, you did not desire the mutual benefit of the two countries. Now that you find that the Import Duties Act is operating to your disadvantage, you come and seek an agreement; there is nothing doing." I submit, Sir, that it would have been criminal neglect of the vital interests of India to have declined the invitation to Ottawa and to have let slip the opportunity of coming to an agreement with the United Kingdom. But, then, this is exactly the kind of thing that could far better be examined and sifted in committee than is possible during the course of a debate in the whole House.

Sir, a point was raised by the Honourable the Leader of the Opposition—it has been raised by other Members also—that Government should themselves have examined the working of the Ottawa Trade Agreement between the two countries and should have come forward with specific proposals to this House. Sir, Government have

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throughout been watching and examining the working of the Ottawa Trade Agreement. But I do submit with great respect that they would not have been carrying out the undertaking which they had given to the House if they had, after this examination, come forward with a cut-and-dried scheme before the House and said: "Now, you must agree to this scheme as a basis for the revision of the Ottawa Trade Agreement." The House was at one time anxious that they should be given an opportunity of examining the working of this Trade Agreement so that they could advise Government with regard to future modifications before Government made up their own minds, and that part of the material upon which Government should decide as to what should be done should be the views expressed in this House or in committee. Surely, Sir, it is now reversing the process to blame Government that they have not been fair to the House, because they have not come forward with a cut-and-dried scheme; and it is no compliment to the House to suggest that the House should not have been invited to set up a committee, and, later on, to examine the question in full Session, but that the House should have been invited merely to say "yes" or "no" to a scheme put forward by Government on the basis of their own examination of the preferences. This suggestion is not fair to the House, and its acceptance would have unduly restricted the right of the House with regard to this matter which arose out of an undertaking given by Government. The undertaking was that Government would place these figures before the House, and that it would be the view of the House that would rule the question, and not the view of Government. Then, it was said: "You placed the figures of the working of the Agreement for the first year before a Committee of this House for examination by that Committee, that Committee examined the question, a minority of the Committee made a recommendation that Government should make attempts to get into bilateral trade agreements with other countries. Why did Government make no effort to put into practice that recommendation of a minority of that Committee?"

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

Sir, I might meet that argument merely by saying that it might be extremely embarrassing if Government were committed to putting into practice the recommendations of a minority as well as of a majority of a Committee set up by the House. But, apart altogether from that consideration, Government have examined this question, and, though Government have not been able to conclude agreements with other countries which might be described as strictly bilateral agreements in the sense in which the expression has come to be understood in recent years, the House is well aware that the Agreement with Japan—the convention and trade protocol—was concluded after the Ottawa Trade Agreement, and that is an outstanding example of the efforts made by Government to explore all avenues for the expansion of trade with other countries. Government have also examined the question of bilateral trade agreements with other countries, more particularly the European countries which have adopted certain schemes of restriction with regard to their trade, and Government have, from time to time, during question hour, and, in the course of this debate, given reasons why it has not been possible to enter into bilateral trade agreements with those countries. Government's case on this aspect of the question has been put forward in an extremely able speech made by Sir Girja Shankar Bajpai in the course of the debate.

Another point taken was—and I believe it was raised by Seth Govind Das—that increases in our exports to the United Kingdom cannot be due to the Ottawa Agreement, as the increase in exports of non-preference articles has been far greater than the increase in the export of preference articles,—again an instance where an argument plausible on the surface has been put forward, but which would not bear detailed examination. It is quite plausible to say: "You say that the Ottawa Agreement has helped certain articles and that it was designed to help the export trade between India and the United Kingdom with regard to those articles. You have a list of those articles in Schedules A, B and C, we know which articles are preference articles. Let us look at the figures. We find that though there has been some increase in the export trade of India to the United Kingdom with regard to those articles, there has been a much larger increase with regard to articles to which these preferences did not extend and, therefore, the conclusion is that the Trade Agreement has not done anything for us. Certain other factors have been in operation which are responsible for the increase both with regard to preference articles and also with regard to non-preference articles." I submit that this is an extremely good illustration of the kind of argument that has been sought to be put forward in the whole House—which could certainly not be pressed in committee, because the answer would have been ready. And the answer briefly is this: that the argument is not based on correct premises. First, let me make one observation, that it does not necessarily follow, as a general argument, that the Ottawa Agreement would have been found to be of value to India only in case the increase in the export of preference articles had been greater than the increase in the export of non-preference articles. It is quite possible—I am not referring to this particular Agreement, I am taking the general argument—that, in arriving at an agreement, the representatives of one side may not lay so much emphasis upon commodities with regard to which they feel that their country is in a secure position, and they might wish to safeguard commodities with regard to which they might be afraid that the conditions that have necessitated an agreement might operate prejudicially in the absence of certain adjustments. In such a case, the question would be, have the articles, for which preferences have been obtained and which might otherwsie have suffered, shown any increase or maintained their position, in either of which cases it would be perfectly legitimate to argue that the Agreement has served its purpose, and it would not be a valid argument to point to other articles which the Agreement does not cover in order to show that, as there has been an increase in their case, the Agreement has not been of any value. But that is a general argument: I shall go on to deal with the specific argument that has been advanced in this connection. (Interruption.) Is it a fact that there has been an increase in the export of articles to which the terms of the Ottawa Trade Agreement do not apply in any manner? I am purposely putting it in this wide form. I took pains to explain in my opening speech that the Agreement has several aspects: not merely one aspect that it secures preference for certain articles. I explained the right of free

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entry: I adverted to the preferences and also referred to the Schedule D articles, and I will explain again what the schedule D articles . . . .

Seth Govind Das (Central Provinces Hindi Divisions: Non-Muhammadan): May I ask one question?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member does not give way.

The Honourable Sir Muhammad Zafrullah Khan: These questions—are they not the best argument in support of the proposition that the matter should be examined in committee? I start my argument: an Honourable Member desires to put a question: if we had been sitting in committee, questions could be put freely and answers given; but Honourable Members will recognise that that cannot be done in the whole House. One line of argument might give rise to several questions, and it would be manifestly impossible to resolve all of them satisfactorily in the whole House. That is the reason, I submit, why this matter had better be examined in committee where questions could be put and answers given in a much more satisfactory way. The mere desire to ask questions is itself an indication that Honourable Members know and feel that it would be far better to examine this matter in committee. To resume: with regard to schedule D, the position is this: certain articles which are mentioned in the Schedule and which had not been entered in Schedule I to the Import Duties Act, that is to say, which had not a right of free entry to the United Kingdom from all countries—were, at the request of the Indian delegation, placed in the Schedule, that is to say, the right of free entry from all countries was extended to them, because India, finding that she was the principal supplier of these articles to the U. K., wanted to continue to export them free to the U. K., without the restriction of certificates of origin to prove that they were articles of Empire origin. Now, the value of this right of free entry with regard to these particular articles is this: that though India is the chief supplier of the United Kingdom with regard to these articles, there is a certain amount of danger that those articles might be ousted from the market by synthetic substitutes. In this connection, the question would be,—what is the cost of these articles, and what would be the cost of suitable substitutes? So long as the cost of a suitable substitute continues to be higher than the cost of the article itself,—the danger would not be serious.

The moment it becomes possible to manufacture substitutes and put them on the market on a commercial basis, the right of free entry would become extremely valuable; or, to put it in another way, if there were no right of free entry, these articles would be at a great disadvantage.

Take, for instance, the case of jute manufactures. One of the main features of post-war industrial research has been the search for efficient substitutes for jute as the raw material of merchandise containers. Every increase in the price of jute stimulates that research, and I would assure Honourable Members that the danger to jute manufactures is by no means fanciful or imaginary. To a very great extent, cement, which was formerly packed in gunny bags, is now marketed in paper bags. The exploration for substitutes is on the increase: therefore, this right of free entry with

regard to these Schedule D articles is of great value. Here you have an instance of articles which are not preferred articles, but the export of which is certainly being maintained, and even stimulated by their finding a place in this Schedule D, and thus securing the right of free entry.

Take, again, raw cotton: it enjoys no preference, as I have explained, in the U. K. But it is an article the export of which to the U. K. and the greater consumption of which in the U. K. mills is being encouraged by the Ottawa Agreement for the reason that it is in pursuance of article 8 of the Agreement that the Indian Lancashire Cotton Committee has been set up and is making efforts in the direction of research and better marketing and so on, to secure larger consumption of Indian cotton in the United Kingdom mills. As a result of these efforts, the consumption of Indian Cotton in the United Kingdom has almost doubled during the last three years.

I come now to the question whether the increase in the export of non-preferred articles from India to the United Kingdom is in respect of those articles which are not affected by the Agreement at all, in which case there might be some validity in the argument, that we are examining, or whether it is in respect of those articles the export of which is stimulated by the Trade Agreement though they are not preferred articles. Let us examine the figures from that point of view. The figures are these: between 1931-32 and 1934-35, the exports of preferred items to the United Kingdom had increased from 33·3 to 36·7 crores, *i.e.*, just over ten per cent. The exports of non-preferred articles had increased from 9·6 to 11·4 crores, *i.e.*, 18·5 per cent. That was the point sought to be made, and, as I say, on the surface there is some plausibility in this argument; but, now, let us examine it more closely. The Agreement covers articles other than those to which preference has been given: I have said, these are articles in Schedule D and also raw cotton. The articles in Schedule D are shellac, jute, myrabolams, broken rice, mica, raw hemp. These enjoy no preference, but have been secured free entry into the United Kingdom at the instance of the Indian delegation. The other non-preferred article is raw cotton. Take the figures relating to non-preferred articles and divide them into two groups—figures relating to non-preferred articles which nevertheless are covered by the Ottawa Agreement as I have explained, and the figures relating to non-preferred articles which are not covered by the Agreement at all. What is the result? It is this: the exports of non-preferred commodities covered by the Agreement, that is, Schedule D articles and raw cotton, have increased from 5·8 crores in 1931-32 to 7·95 crores in 1934-35, or by 37 per cent. On the other hand, exports from India to the United Kingdom of articles entirely outside the Agreement have, in the same period, *decreased* from 3·78 to 3·41 crores or by 9·8 per cent. What becomes then of the argument that the export of articles that are not affected by the Ottawa Agreement at all has been stimulated and has increased? There has been no increase whatever: on the other hand, there has been an appreciable decrease. As I have said, that is an extremely good illustration of the fact that, if only *prima facie* arguments are going to be put from one side or the other, the matter cannot be satisfactorily examined by means of formal speeches during the course of which free exchanges of views, explanations and criticisms are not possible. In committee, it would be possible to say: "Yes, your figures are correct, but here is another factor

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on the other side for which you have made no allowance." I do not take up the position at all that there can be no other view of this matter except the one that I have adopted: we could examine it thoroughly in committee and the matter could be argued from all points of view. I do not take up the position that nothing can be said or pointed out on the other side which would not require further examination. Sir, before I go on to the next point, may I make one further observation? Throughout the debate, Honourable Members, who have criticised the working of the Ottawa Trade Agreement, have assumed that the entire increase in the volume of United Kingdom exports to India is due to the Agreement, and that no part of the increase in the Indian exports to the United Kingdom can be ascribed to the Agreement. Sir, I leave it to the House to judge how far such an attitude can be described as fair.

Then, a point was sought to be made by, I think, Mr. Satyamurti, who said:

"You made this Agreement in August, 1932, and put it into force in January, 1933. Article 14 provides that, in regard to individual commodities, if occasion arises, some modification might be made, not necessarily through denunciation or reconstruction of the whole Agreement, but by correspondence with regard to that particular commodity. What have you done? You made that argument and then you went to sleep and did nothing at all under that article: if you had shown that you had taken action under this article in respect of a single commodity, that would be some indication that you had done something to protect India's interests and we might have been more disposed to trust you in regard to this matter."

My reply is: it is true that the provision of article 14, to which the Honourable Member has referred, has not been called into play during these three years; but it would not be true to say that the Government of India have not been watching the working of the Agreement from that point of view, and that no modifications have been secured since the Agreement was put into force. Modifications have been secured, and I shall point to two in the course of the next few minutes, but it was not necessary to bring into play the machinery provided under article 14, because modifications could be secured without it. Here are those two instances. The Government of India found that there was a complaint that the rice preference into the United Kingdom was being nullified by the fact that there was a very small duty upon paddy and that, therefore, Spanish producers of paddy found it a profitable means of expanding their exports of paddy to the United Kingdom, and thus evading the preference enjoyed by India in respect of rice, to ship paddy to the United Kingdom which was subject only to a duty of about 1/10th of a penny per lb. and to have it milled in England: so that the exports of paddy from Spain to England had risen from nothing at all to about 60,000 cwt. in a year. That having been brought to the notice of the Government of India, the Government of India at once took steps to put right the position. They pointed out to His Majesty's Government that this state of affairs was likely to nullify the rice preference. His Majesty's Government responded to the suggestion made by the Government of India, and paddy was subjected to a duty of two-thirds of a penny per pound in the United Kingdom which amounts to 75 per cent., *ad valorem*. Since then, the result has been that the exports of paddy to the United Kingdom from Spain have again gone down to vanishing point, and this breach, that was threatened in respect of the rice preference, has been averted.

Another preference, which was at one time in danger of being nullified, was that enjoyed by oilseeds, and more particularly groundnuts. This preference was threatened by the import of soya beans, which was on the United Kingdom free list, mainly from Manchuria. That has also been set right. Since August last this commodity has been subjected to a 10 per cent. *ad valorem* duty.

On the other hand, it might be said: "You were informed by the Committee set up in 1934 that the preference in favour of coffee had not resulted in as great a benefit as you gave us to understand it would result in, and what did you do about it?" Now, with regard to coffee, the position is this. The 1934 Committee, which found that the preference was not working as much in favour of this article as was expected, made the following observations in this connection:

"We were informed by certain other Members", —(*Dr. DeSouza and Mr. James who were particularly interested in coffee production*),—that the full benefit of the preference will not be available until the Indian producers have taken steps to overcome the disadvantages mentioned in the departmental report and undertake intensive marketing propaganda in their more important markets."

The finding of the Committee, therefore, was that they felt that full advantage had not been taken of the coffee preference by Indian producers of coffee. It was, therefore, obviously impossible for the Government of India to press their case with the United Kingdom Government. In consultation, however, with the interests concerned, as Honourable Members are aware, the Government of India brought before the Legislature a Coffee Cess Bill, which has now become the Coffee Cess Act, for the purpose of encouraging research, marketing and propaganda which is expected to yield a twofold result—it might stimulate the export of coffee from India, and, if it succeeds in doing so to a satisfactory degree, it might achieve the desired object; but if it does not succeed in doing so, India will then have a case to go to the United Kingdom Government and to say: "the defect on our side has been removed, nevertheless we are at a disadvantage, and, therefore, we ask you to mend matters."

Another point that was sought to be made was—another illustration to show how if the matter were discussed in committee, a good many misconceptions that exist in certain parts of the House might be cleared up—it was said that India's balance of trade had not improved, and that the main object for which preferences had been obtained had not materialised, and that, therefore, we should scrap the Agreement. Sir, it is too late at this stage to enter into a detailed examination of figures, but I am afraid some figures are necessary to meet the argument. The balance of trade in merchandise, after all it is the only thing that matters with regard to this aspect of the case,—the balance of trade in merchandise in 1932-33, which was the year during which the Ottawa preferences were only partially operative, as they started in January, 1933,—the balance of trade in favour of India in that year was four crores. Since then, it has risen in one year more than in the other two years, but the tendency has been upwards. In 1934-35, the balance of trade was 22 crores, and the figures that have come in up to now with regard to 1935-36 show that the balance at the end of the year will be round about 28 crores. So it cannot be said that the balance of trade in favour of India has not risen. It has risen, it has steadily improved, and the improvement is progressive, and, therefore, it is not a valid criticism to suggest that the Ottawa preferences have not reflected themselves in the balance of trade with regard to merchandise.

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Then, Sir, it was stated on behalf of some Honourable Members that appeals had been made from Government Benches that this matter should be considered from a purely commercial or economic point of view, and that our repeated insistence upon this indicated a guilty conscience. Now, Sir, that is not so. As a matter of fact, when I put forward that consideration before the House to begin with, I said that I was convinced that there was no desire to examine this matter in any section of the House except from a purely commercial or economic point of view, but I regret to have to observe that though the general trend of the debate has been to take up some line of argument with regard to the actual working of the Agreement, I am afraid, there have been indications to show that in certain sections of the House at any rate, certain Honourable Members are being influenced by political considerations in pronouncing their verdict upon the working of the Ottawa Agreement. Let me give two or three instances. Mr. Joshi said: "It is no use looking at this Agreement, it is wrong in its very conception, because it creates a certain kind of economic unit in the world comprising the British Empire, and thus imposes restrictions upon international trade".

To this extent it might be said the argument was based on economic considerations; but then he proceeded to say: "So far as you are concerned, you should not have agreed to it, because you are a subordinate Government, and, being a subordinate Government, any agreement that you enter into is bound to work to the detriment of India". Sir, I call that an entirely political argument and, so far as this matter is concerned, it is an entirely invalid argument.

Then, I believe it was Mr. B. Das who said that when the Indo-Japanese Protocol and Trade Convention was settled and drafted, the Commerce Member of the Government of India was not permitted to sign it on behalf of the Government of India, and Mr. B. Das went on to say: "Sir, that being so, it is no use talking to us of figures or of statistics; that being our position, we cannot possibly countenance the continuance of the Ottawa Trade Agreement". That again, I venture to submit, Sir, is a political argument. On the basis of that argument, I imagine Mr. B. Das would be prepared to denounce the Indo-Japanese Protocol also, because it indicates the inferior political status of India, without looking into the question whether it is working to the benefit of India or not. That argument means, if it means anything at all, that Mr. Das wants to reject the Ottawa Agreement on political grounds without examining it in detail; and that is one of the reasons why he does not want to go into committee over it. He will not examine it in committee, because, according to him, the only relevant consideration is that our Commerce Member was not permitted to sign the Indo-Japanese Protocol on behalf of the Government of India!

Then, my Honourable friend, Mr. Satyamurti, though, as usual, he was much more careful than some other Honourable Members were in this connection,—said: "We are hard put to it to control our emotions in this connection. Don't talk to us of goodwill, that upsets us. Do not irritate us over this matter. It is difficult for us to keep our attention to the purely economic side of the matter. We want to look at it from the purely business point of view, but don't talk to us of goodwill". That gives an indication of the direction in which his own mind was working, and of the direction in which the minds of other Honourable Members might be working. Some of them may not be so careful to distinguish between the emotional and political aspect and the economic and commercial aspect of the matter as the Honourable Member is.

Now, let me say that these political considerations have nothing to do with this matter. This Agreement, good, bad or indifferent, wisely entered into or unwisely entered into was entered into by a Delegation on behalf of India. If the matter had stopped there, you could have said: "You chose your own Delegation, you gave your own instructions to them, and we are entitled to assume that you were dictated to from Whitehall and you were compelled to accept whatever was offered." That is not so. When the Delegation was appointed, an assurance was given to the House that if this Delegation did arrive at a trade agreement with the United Kingdom or with any of the Dominions, and that agreement involved any changes in the Indian tariff system, such changes would not be carried into effect without the concurrence of the Legislature. In pursuance of that obligation, the whole Agreement, portions which would involve changes in the tariff, as well as portions which would not involve any such changes—the whole of it was placed before the Legislature for its approval. And it was open to the House then either to accept it or to reject it or to suggest modifications with regard to it. There is nothing whatever to show that the consideration of this matter by the House was in any manner affected by political motives. The House was entirely free to consider it from a purely economic and commercial point of view; and if the House did consider it from the economic and commercial point of view, what is there in the argument: "Because you are a subordinate Government, or your Commerce Member was not permitted to sign the Indo-Japanese Trade Protocol, because our emotions are involved in the matter, we do not think that the Agreement was ever likely to work for the benefit of the country"?

Then, Sir, it has been suggested that this Agreement was brought about with a pistol held to our head. An Honourable Member has said: "The United Kingdom passed this Import Duties Act, and enforced it in 1932. Did they consult you about it? No. Then, you were told that, unless you came in, these duties were going to be imposed upon you, that you would be penalised and it was under that threat you came in". Let us examine this a little further and see whether there is any substance in this contention. Was the Import Duties Act directed against India? Was the Import Duties Act enacted with a desire to force India into a trade agreement? Was the crisis of 1931 and the chaos and confusion to which it led, engineered by the British Government for the purpose that they might turn over from a free trade policy to a protectionist policy and then force India to enter into something like the Ottawa Trade Agreement? Could anybody, after knowing what had happened in 1931 and the early part of 1932, fairly and honestly say that there were not good grounds for Great Britain to review her commercial policy, and if she found it necessary to do so in the interests of her own commerce and industries, to reverse her policy and start on a new one? If that was so, that new policy was responsible for the Import Duties Act. The considerations which led to the passing of this Act had nothing whatever to do with forcing India into a trade agreement. Before this Act was passed, with certain exceptions, the United Kingdom was admitting goods of all nations free, whereas United Kingdom goods were subjected to tariffs practically all over the world. I am not arguing in support of or against the policy of the Import Duties Act. Those responsible for the tariff policy of the United Kingdom

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decided that this state of affairs was detrimental to the interests of the United Kingdom and should be put an end to and the Import Duties Act was passed. I maintain that, by passing this Act, the United Kingdom did not fashion a pistol for India and hold it to her temple in order to induce her to enter into this Agreement. It was realised that the Act would apply not only to foreign goods, but also to Dominion and Indian goods, and the United Kingdom said: "We must leave room for adjustments with the Dominions and India. We shall not enforce these duties against the Dominions and India for a sufficiently long period to enable them to decide what they are going to do about it." It was open to them, and it would have been in accord with the policy advocated by some sections of the House during the debate, if the United Kingdom Government had said: "We shall impose these duties on everybody, and leave the Dominions and India to come to an agreement if and when they choose". They did not do that. They left the Dominions and India free for six months to come to a decision of their own. Again, this provision did not apply to Indian exports alone; it applied to all imports into the United Kingdom from the Dominions as well as from India. When referring to the tea preference, one Honourable Member, in the course of this debate, remarked: "Oh, yes. Tea was all right. Great Britain itself was anxious that, as the tea industry in India was controlled largely by British interests, it should not suffer, and something ought to be done to put it right". Let us apply that argument here. Great Britain being anxious that the Dominions being populated largely by their own people, nothing should be done to prejudice them, the question arises—was India treated differently from the Dominions? Admittedly, according to the Honourable Member who sought to make that argument with regard to tea, Great Britain would do nothing to prejudice the Dominions, and if the same measure applies to both the Dominions and India, it cannot be said that it was intended to prejudice India. The natural conclusion, therefore, is that Great Britain did not hold a pistol to our head in the shape of the Import Duties Act. As a matter of fact, section 4 of that Act was designed to secure that there should be no disturbance to the trade of the Dominions and India. It is no use telling us: "You did not go to Ottawa as free agents, you went there under this threat, under this shadow of the Import Duties Act." The two arguments sought to be made in this connection are naturally contradictory. On the one hand, we are asked, why did you not wait and see what happened under the Import Duties Act after the 15th November, 1932, before you made overtures? The reply is given from another section of the Opposition: "We could not wait, we were going to be ruined, and, with this pistol to our head, we had to go."

Then, we are told; "Oh, you are frightened unnecessarily. There will be no disturbance whatever if you give notice of termination, because in the meantime, you will make every effort to come to a fresh agreement, and if you fail, it does not matter. The United Kingdom dare not retaliate, she must get her raw materials. She cannot starve her people of their food and her factories of their raw materials. She cannot afford to apply these duties to India under the Import Duties Act." Well, now, let us examine this a little further. I may say at once that if notice of termination is given, I do not believe that His Majesty's Government would resort to retaliation in the sense of doing something to punish India and her commerce for terminating this Agreement. I have not the slightest

reason to think that His Majesty's Government would do that, but the Trade Agreement having gone the scheme of mutual preferences will disappear. Is it contended that the disappearance of the preferences, automatically following on the termination of the Agreement, could be construed as retaliation by the United Kingdom against India? Surely, the contention is not that you can withdraw the preferences that you give to the United Kingdom, but that the United Kingdom should continue the preferences in favour of India? That being so, if notice of termination of the Agreement is given and no fresh agreement is in the meantime arrived at, there is bound to occur a most serious disturbance of the export trade of India to the United Kingdom.

Mr. M. A. Jinnah: It would apply to both.

The Honourable Sir Muhammad Zafrullah Khan: It would apply to both, but surely that would amount to cutting off one's nose to spite one's face. It would be no consolation to us if our trade is dislocated that the United Kingdom trade is also suffering. That, I am afraid rather reinforces one's suspicion that it is not so much any consideration of the alleged loss that India is suffering or any lack of benefit to India that is operating on the minds of Honourable Members but that it is the consideration that the United Kingdom is benefiting also. As I was saying, there is bound to be disturbance to our trade if notice of termination is given, and it is not even necessary that the period of the notice should have expired. Take Article 8 of the Agreement. I was told by the Honourable the Leader of the Opposition: "The Commerce Member has talked of Article 8 of the Ottawa Agreement. It is not an agreement at all." Article 8 is not by itself an agreement, but it certainly is part of the Ottawa Agreement. You cannot get away from that. The Lancashire Indian Cotton Committee was set up in pursuance of that article and has undertaken certain kinds of activities to which reference has already been made, and the result of those activities has been that, in the two or three years during which period those activities have been in operation, the consumption of Indian cotton in the United Kingdom has been almost doubled. From a little over 200,000 bales, it has risen to 414,000 bales. Therefore, it cannot be said that that article embodied only a pious hope. If notice of termination of this Agreement is given, we cannot expect this arrangement to be continued. It is an arrangement between the trade interests of the two countries undertaken with reference to the Ottawa Agreement, and, once notice of termination of the Agreement is given, the arrangement might fall through. Even if a new agreement is substituted in place of the present one before the notice becomes effective, you may have lost a good deal of the ground that you have gained. If there is a cessation of the activities of this Committee, things are bound to lapse to the conditions, which prevailed before the activities of this Committee began, and you will have to start all over again, and the result will be the loss of the benefit this Committee has secured during the last two years and a half. Then, there are other directions in which a disturbance might take place. I want to make it perfectly clear that I am not using this as a threat. I am not even giving my own considered opinion on this matter, because the matter has merely struck me in passing, and I want to place it before the House for their consideration. I desire only to draw attention to the possible reactions of termination of the Ottawa Trade

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Agreement on the Indo-Burma Trade Agreement. I merely put that forward for consideration.

An Honourable Member: You mean the Indo-Japanese Agreement?

The Honourable Sir Muhammad Zafrullah Khan: No, I am referring to the Indo-Burma Agreement.

Mr. M. A. Jinnah: This is the first time we hear about it.

The Honourable Sir Muhammad Zafrullah Khan: There are several other matters that might be affected.

Mr. M. A. Jinnah: I wish you had told us about it, in which case I would have replied to you.

The Honourable Sir Muhammad Zafrullah Khan: Really, I am rather surprised that this objection should come from Mr. Jinnah.

Mr. M. A. Jinnah: I am fully alive to the importance of that matter. If the Honourable Member had merely hinted at this before, I might have been able to reply to that.

The Honourable Sir Muhammad Zafrullah Khan: I have already told Mr. Jinnah and the House that the matter had struck me for the first time a few minutes ago, as a matter of fact, in the course of the Honourable Member's speech, he having taken care to speak last of all. I should not be charged with not having mentioned the matter before, when I say that the matter struck me for the first time when the Honourable Member himself was speaking.

Mr. M. A. Jinnah: The Honourable Member should not have accused me of having spoken last. He has got the final right of reply.

The Honourable Sir Muhammad Zafrullah Khan: I did not suggest that the Honourable Member did anything unfair in speaking last. I am explaining that I could not have mentioned this matter earlier, because this matter struck me for the first time when the Honourable Member was speaking.

Mr. M. A. Jinnah: I accept that.

The Honourable Sir Muhammad Zafrullah Khan: I am merely putting forward for the consideration of the House that there are directions, undetected perhaps even at this stage, where a disturbance might take place if the matter is not fully and carefully considered in detail. One of the possible directions in which a disturbance might take place is in respect of this Indo-Burma Agreement which has been arrived at for a certain number of years and is terminable thereafter by notice given by either side. Supposing the position arose that we terminated the Ottawa Agreement and failed to arrive at a fresh agreement with the United Kingdom, then Burma would be entitled to say: "Leave us out of this. We shall conclude our own agreement." I would like Honourable Members to appreciate that there might be a disturbance of the trade relations between India and Burma, if the Ottawa Trade Agreement were to be terminated.

Now, may I make one or two references to the amendment proposed by Mr. Jinnah. Two aspects of the amendment have already been dealt with by my Honourable colleague, Sir Frank Noyce. The first is the time factor. Mr. Jinnah wishes to impose upon the Government the obligation of getting into negotiations, not only with the United Kingdom, but also with such other countries with whom it may be possible to enter into negotiations, wherever and whenever it may be possible, and to place before the House in the September Session the draft agreements which Government might be willing to enter into with the Governments of such countries including the United Kingdom. As I have said, my Honourable colleague, Sir Frank Noyce, has pointed out that the time consideration alone would rule out the greater part of the suggestion made in the amendment. He has also pointed out that there is this consideration which you have got to keep in mind,—that Indian industries are subject to a far lesser degree of competition from the United Kingdom than they are from the industries of continental and other countries. That would affect the possibility of entering into suitable trade agreements with other countries to a certain degree. But let us look at the matter from another point of view. We are told: "You have tied yourself up with Ottawa, you have lost your bargaining power, therefore it is not possible for you to enter into trade agreements with other countries." Yet we are told we must enter into a fresh trade agreement with the United Kingdom. Is it possible, and is it suggested, that India might arrive at a trade agreement with the United Kingdom without surrendering any portion of its bargaining power? We cannot make a fresh trade agreement with the United Kingdom without surrendering some of our bargaining power with regard to other countries. It might be suggested that when we revise this trade agreement with the United Kingdom, we should make a smaller surrender of our bargaining power than has been made in the present Agreement and should retain greater freedom to bargain with other countries. In that case, the question would be—what is the margin of bargaining power on the basis of which you propose to enter into trade agreements with other countries? This is a question which must be studied (*Mr. M. A. Jinnah*: "You study it"), and on which some guidance might be expected from the House. The total bargaining power involved in the Ottawa Trade Agreement is about Rs. 4½ crores. If you arrive at no agreement with the United Kingdom, the problem with which you will be presented is this. This 4½ crores you will have to distribute among several countries, for, if you give the whole of it to one country, you will again be tied up, and other countries might discriminate against you. Now, it is here that the importance of two factors comes in. The United Kingdom is your largest single purchaser, she takes in 31 per cent of your exports. The country that comes next takes in 15 per cent, and, with that, you already have an agreement. The others are your customers on a much smaller scale. Now, would you rather have a large number of agreements with small customers, or one agreement with your largest single customer, with the possibility of its being supplemented by smaller agreements with others, and, in this connection, it would be well to remember the consideration put forward by my Honourable friend, Sir Hormasji Mody, that almost every other country with which you might enter into an agreement has imposed all sorts of restrictions on its trade, and it is doubtful whether it would be possible for you to get beyond the stage that the trade of the two countries should be levelled up, whether by barter or by licensing or by quotas, and so on. If that is the only thing that we are likely to get

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by means of bilateral agreements, my submission is that that is a thing which could scarcely be described as being to the benefit of India inasmuch as India has just now favourable balances of trade with most of these countries.

Now, Sir, I must conclude, as, I am afraid, I have detained the House longer than I intended. As I said at the beginning, the character of the debate itself points to the absolute necessity of considering this matter in committee. I am not thinking so much of numbers, I am thinking more of the procedure. Now, throughout this debate, no kind of lead has been given to Government as to what they ought to do except this: "negotiate, have another draft agreement, bring it before us, we shall again debate it in the whole House, if we are convinced that it is likely to be of benefit to the country, we shall accept it, if not, we shall tell you: 'negotiate another agreement', but we will not tell you in what direction you should negotiate." Barring my Honourable friends, Mr. James and Dr. DeSouza, who have made some suggestions, and my Honourable friend, Mr. Jinnah, who has made one suggestion, no suggestion has been made or lead given to the Government as to what they are to do in this matter except that the present Agreement is no good. From this point of view the debate has been singularly unhelpful. Mr. Jinnah has given this lead: "Mere tinkering with this Agreement will not do. You have not merely to repair it in a minor or major degree, you have got to reconstruct the whole of this Agreement". I was hoping that he would go on to indicate the foundations upon which the reconstruction should take place, the plan of the reconstruction, but he offered only a negative suggestion.

Mr. M. A. Jinnah: I think I did. I said: "You will have to examine the whole range on both sides and the preference to U. K. for steel and cotton should not be excluded from your consideration as it was done at Ottawa".

The Honourable Sir Muhammad Zafrullah Khan: Opinions might legitimately differ whether that is a suggestion only for modification in certain directions or whether that is a suggestion for the entire reconstruction of the whole scheme.

Mr. M. A. Jinnah: Of course it is for entire reconstruction.

The Honourable Sir Muhammad Zafrullah Khan: It may be or it may not be. We have not got any further than this. My submission is that a Committee might certainly be expected to give us a better lead. It was suggested that the commercial and industrial interests are likely to give us a better lead than a Committee of this House. There is no bar to a Committee of this House obtaining commercial and industrial opinion by means of witnesses and memoranda. Now, why is it that, for the first time over a matter like this, the House takes up the position: "No, no, this is a matter which we cannot judge." Sir, whenever any question of experts arises, we are told by certain Honourable Members: "Is it the position of Government that there are no financial experts in this House, is it the position of Government that there are no commercial experts in this House, why will not the Government take this House into its confidence so that financial experts and commercial experts in the House should be able to give their opinion?" Sir, why is it that today alone

the House is confessing to a bankruptcy of such expert knowledge? (Laughter.) (Hear, hear.) Why is it afraid, if I may say so, to look at the matter more closely and shoulder the responsibility, after taking such advice, and after consideration of such material as might be available in committee of advising Government as to the direction in which Government should work for modification of the Agreement? Why is the House prepared to abdicate its functions today to outside commercial opinion? On the other hand, it was said: "Well, this is a matter which, though it is a very complicated matter, we have studied very carefully. You can add nothing that can help to change our views. We know all aspects of the question, and nothing more is required to enable us to arrive at a decision on this subject." Those Honourable Members who make that statement may have studied the matter, but they could have done so only individually. Other Honourable Members have not gone into the question and have had no opportunity of forming their judgment. Recently the House had to consider the Hammond Committee's Report. Is there anything in connection with the Hammond Committee's Report which Honourable Members did not know before? On the Report being presented to the House, they did not say: "We know everything about this Report, we can straightaway come to a decision on it. What is the use of appointing a Committee? We have all been engaged for ten years over this matter, we know all about it." This was not the attitude that the House adopted over the Hammond Committee's Report. They wanted to consider the whole question in a committee and quite properly too. I submit that whenever a matter of a complex nature has to be considered, it is always better to examine it in committee and then to consider it in the whole House instead of attempting to pass a verdict on the whole matter off hand without any detailed consideration.

Sir, I say again, at the risk of provoking some observation from Mr. Jinnah, that whether it is a new found responsibility and, therefore, strange to the House or whether it is an old responsibility, the responsibility is that of the House and in this matter Government have undertaken that it is the decision of the House that shall prevail and not the decision of the Government. Therefore, in this matter, the responsibility lies entirely on the House. We have on this side attempted to put forward considerations which should persuade the House that a delay of five months for considering this matter in committee before it could be debated again in the full House in September would be well worth accepting lest any hasty decision might injure the interests which all sections of the House have at heart. After all, the question resolves itself into this: which of the two courses is likely to do more harm to the commercial interests of India, a delay of a few months for the purpose of a careful examination of the whole matter in committee before a final decision is taken by the House, or a decision here and now to give notice of termination which is bound to cause disturbance and dislocation of trade? Lastly, Sir, with all respect to Mr. Jinnah, I do assure the House that his apprehension that this motion is a device calculated to induce the House to consent to something that might keep the matter hanging till the Dominion agreements are terminated, is, so far as Government are concerned, absolutely unfounded. Government have no such intention whatever. I may add, Sir, that in case this motion for reference to a Committee is adopted by the House, Government intend, with the leave of the House, to add to the personnel of the proposed Committee. With that, Sir, I

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leave the decision of the matter in the hands of the House. (Loud and Continued Applause.)

Mr. President (The Honourable Sir Abdur Rahim): There are three motions for terminating the Ottawa Agreement and the fourth one in the name of Mr. Gauba seeks the appointment of a Committee to consider and report upon the Agreement with certain reservations or conditions. According to the usual practice, I shall take up the motion relating to the termination of the Agreement first. Of these three motions, all relating to the termination of the Agreement, Mr. Jinnah's motion seems to be the most comprehensive of all. I shall, therefore, put that motion first to the House. The question is:

"That for the original motion, the following be substituted:

"This Assembly recommends to the Governor General in Council that the Ottawa Agreement, dated the 20th August, 1932, be terminated without delay and a notice of denunciation be given in terms of Article 14 thereof. The Assembly further recommends that the Government of India should immediately examine the trend of trade of India with various other important countries and the United Kingdom and investigate the possibility of entering into such bilateral trade treaties with them, whenever and wherever possible to bring about the expansion of export trade of India in those markets and submit such treaty or treaties for the approval of this Assembly'."

The Assembly divided:

AYES—70.

Aaron, Mr. Samuel.
Abdul Matin Chaudhury, Mr.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Anantha-sayanam.
Ba Si, U
Badi-uz-Zaman, Maulvi.
Badrul Hasan, Maulvi.
Banerjea, Dr P. N.
Bhagavan Das, Dr.
Chaliha Srijut Kuladhar.
Chattopadhyaya, Mr. Amarendra Nath.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Chunder, Mr. N. C.
Das, Mr. B.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
DeSouza, Dr. F. X.
Essak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Ghulam Bhik Nairang, Syed.
Giri, Mr. V. V.
Govind Das, Seth.
Gupta, Mr. Ghanshiam Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jinnah, Mr. M. A.
Jogendra Singh, Sirdar.
Joshi, Mr. N. M.
Kailash Behari Lal, Babu.
Khan Sahib, Dr.
Khare, Dr. N. B.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Muhammad Ismail Khan, Haji Chaudhury.
Murtuza Sahib Bahadur, Maulvi Syed.
Nageswara Rao, Mr. K.
Paliwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhri.
Rajan, Dr. T. S. S.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Satyamurti, Mr. S.
Sham Lal, Mr.
Shaukat Ali, Maulana.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Sahib Nawab.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Thein Maung, Dr.
Umar Aly Shah, Mr.
Varma, Mr. B. B.
Vissanji, Mr. Mathuradas

NOES—65.

Abdoola Haroon, Seth Haji.
Abdullah, Mr. H. M.
Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Azhar Ali, Mr. Muhammad.
Bajoria, Babu Baijnath.
Bajpai, Sir Girja Shankar.
Bhagchand Soni, Rai Bahadur Seth.
Bhutto, Mr. Nabi Baksh Illahi Baksh.
Burt, Sir Bryce.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das-Gupta, Mr. S. K.
Dash, Mr. A. J.
Fazl-i-Haq Piracha, Khan Bahadur Shaikh.
Gajapatiraj, Maharaj Kumar Vijaya Ananda.
Gauba, Mr. K. L.
Ghuznavi, Sir Abdul Halim.
Gidney, Lieut.-Colonel Sir Henry.
Grigg, The Honourable Sir James.
Hands, Mr. A. S.
Hidayatallah, Sir Ghulam Hussain.
Hossack, Mr. W. B.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Jehangir, Sir Cowasji.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Lal Chand, Captain Rao Bahadur Chaudhri.
Leach, Mr. F. B.
Lindsay, Sir Darcy
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Matthai, Dr. J.
Mehr Shah, Nawab Sahibzada Sir Sayad Muhammad.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Mody, Sir H. P.
Morgan, Mr. G.
Muhammad Nauman, Mr.
Mukherjee Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Raja Sir Vasudeva.
Rajah, Rao Bahadur M. C.
Roughton, Mr. N. J.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sinha, Raja Bahadur Harihar Prosad Narayan.
Spence, Mr. G. H.
Stewart, Mr. T. A.
Tottenham, Mr. G. R. F.
Witherington Mr. C. H.
Yakub, Sir Muhammad.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.
Ziauddin Ahmad, Dr.

The motion was adopted.

STATEMENT OF BUSINESS.

The Honourable Sir Frank Noyce (Member for Industries and Labour): It has already been arranged, Sir, that the House will not meet again till Monday, the 6th April. On that date, I shall move for leave to introduce a Bill to amend the Indian Mines Act, and, in view of the importance of proceeding rapidly with that measure which is designed to deal with the situation arising out of recent accidents in mines, I shall, if leave to introduce is granted, proceed forthwith to move for reference of the Bill to Select Committee. I may mention that copies of the Bill will have been made available to Honourable Members at least three days in advance. The next item of business will be the remaining stages of the Italian Loans and Credits Bill, and, thereafter, motions will be made to consider and pass three small and, I hope, uncontroversial measures, namely, the Cochin Port Bill, the Factories (Amendment) Bill and the Indian Lac Cess (Amendment) Bill. If further time remains available, it will be devoted to the three remaining Geneva Convention Resolutions standing in my name. On Wednesday, the 8th April, when, owing to His Excellency the Governor General's address, only half the normal time will

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be available for ordinary business, the House will first be asked to consider the amendments made by the Council of State in the Payment of Wages Bill. Thereafter, any items of business outstanding from Monday's list will be taken up, and, if time permits, a motion will be made for reference to Select Committee of the Bill to amend the Indian Railways Act.

The Assembly then adjourned till Eleven of the Clock on Monday, the 6th April, 1936.

LEGISLATIVE ASSEMBLY.

Monday, 6th April, 1936.

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

MEMBERS SWORN.

Mr. Panambur Raghavendra Rau, M.L.A. (Financial Commissioner, Railways);

Mr. Evan Meredith Jenkins, M.L.A. (Government of India: Nominated Official); and

Mr. Hugh Dow, C.I.E., M.L.A. (Government of India: Nominated Official).

DEATH OF KHAN BAHADUR MAKHDUM SYED RAJAN BAKHSH SHAH.

The Honourable Sir Henry Craik (Home Member): Sir, the Leader of the House is unfortunately absent today, and my colleague, Sir Frank Noyce, has asked if I, as one of his oldest living friends, would make a reference to the lamented death of Khan Bahadur Makhdum Syed Rajan Bakhsh Shah. The late Khan Bahadur, of whose death, I am sure, the whole House will have heard with the greatest grief, was the oldest elected Member of this House, having been a Member ever since the Assembly was inaugurated in 1921 without a break, and though there can be few Members here who have actually heard him address the House, he did address the House in his earlier days, not frequently, but always eloquently, in his mother tongue and in a manner that commanded the respect and attention of the whole House. To me, Sir, his death is a great personal loss, as I have known him for, I think, at least twenty-five years. The late Makhdum Sahib was a descendant of an ancient Persian family famous in the South-West Punjab. His ancestor, Pir Musa Pak Shahid, was killed in a battle near Multan nearly 350 years ago, and his tomb has become a famous shrine for that part of the country. Two of his descendants were Governors of Multan in the reigns of the Emperors Shah Jehan and Jehangir, and the family has always taken a leading part in local affairs. Our late colleague was himself for many years President of the Municipal Committee of Multan, and, in that capacity, rendered much devoted and useful public service. I can remember one occasion when Multan, a place with a rather unhappy communal history, was threatened with a serious riot, because an excited crowd desired to take a certain route through the heart of the City. The Makhdum Sahib himself, I remember, mounted a horse, went out and addressed this crowd, and ultimately succeeded in persuading them to abandon their rash resolve and to take a route which was not fraught with these dangers. On that occasion, he displayed very great personal courage and he also showed how strong was

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his influence with his fellow-citizens and how greatly his advice and his word were respected. Lately, he had been handicapped by a very severe and painful illness, and it was only the greatest sense of devotion to duty that brought him down to the House on two or three occasions this Session, when I know what he said himself—that it was a painful and trying experience for a man with the shadow of death hanging over him to come here and record his vote, as he did at least on these two occasions. I am sure, Sir, that the sympathy of the whole House will go out to his family and that every one of us will mourn a man whom I may describe as the Father of the House and who was deeply respected by all parties.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, in the unavoidable absence of our Leader and Deputy Leader, I rise to associate the Congress Party and myself with the tribute of respect which the Honourable the Home Member has paid to the memory of our late lamented colleague. We on these Benches—at least the new-comers—had not much opportunity of coming into intimate contact with the deceased gentleman; but such contact as we had with him has given us all the impression, which has been confirmed by the Honourable the Home Member's speech and by the recollection of older Members, that the deceased Member was a gentleman every inch of him, and a charming man, with whom it was a privilege to claim friendship. I should like to associate myself particularly with the Honourable the Home Member's tribute to the sense of duty of the Honourable Member, which brought him to his post in spite of his trying illness, and which probably hastened his end. Such an example of devotion to duty is worth emulating. I am particularly sorry, after the Honourable the Home Member's graphic description of his speeches in this House, that we were not given the opportunity of listening to those speeches. But, I am sure, Sir, that every Honourable Member of this House would like to associate himself with the sentiments expressed by the Honourable the Home Member, and to share in the regret of the whole House at the death of an esteemed and valued colleague.

We would request you to convey to the members of the bereaved family the respectful and sincere condolences of this House. I would also request you, Sir, to direct, if you so please and the House agrees, that the House do stand adjourned for the day, as a mark of respect to the memory of the deceased gentleman. It is not to be made a precedent, I hope; but still the circumstances are such—I am told he may be described as the Father of this House—he was the oldest elected Member of this House and he has been a Member from the very beginning of this House—and, I think, the circumstances of his death and of his long connection with this House are so exceptional that we may well make a reasonable request to you that the House do stand adjourned today, as a mark of respect to the deceased.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, this is the second occasion during this Session when we have to mourn the loss of a sitting Member. This time it happens to be a Member of the Independent Party. As Mr. Satyamurti has said, most Members of this Honourable House had not the opportunity of knowing Khan Bahadur Makhdum Syed Rajan Bakhsh Shah. He was naturally a Member of the House during the whole period that I have been a Member, which gave us several occasions for short conversations. The fact that

the Honourable Member was returned to this House on five occasions unopposed is a sufficient testimony to his popularity and to his great influence in the constituency in which he was born and lived. We have on many occasions seen the late Khan Bahadur Makhdum Syed Rajan Bakhsh Shah brought into this Honourable House on a stretcher to do his duty; and, on more than one occasion, you, Sir, had to make a concession to him by allowing him to vote in divisions seated in his seat on the Back Benches just behind us. As Mr. Satyamurti has said, it required courage which few men exhibit nowadays, or perhaps in the past, to come and do his duty under such physical trial and pain. The late Khan Bahadur was one of those men, if I may so describe him, of the old world so fast passing away. He belonged to that age which produced, amongst the class in which he was born, courtesy, honour and integrity—great courtesy to every one, friend or foe or stranger; and he exhibited that great courtesy to anybody with whom he had any conversation inside or outside the House. I can just remember him addressing this House in Urdu when he put forward his views candidly and boldly; and, as the Honourable the Home Member has said, he was listened to with the greatest respect. The last few months, he was unable to stand up and speak; but he always exchanged a few words with all of us as we passed in and out of the House, and one could not but come to the conclusion, when one last spoke to him, that the shadow of death hung over him while he was sitting here. We deeply regret his death. We lose a member of our Party, a loyal member, and we join in asking you, Sir, to convey our sincere regret and condolences to all the members of his family.

Mr. M. S. Aney (Berar Representative): Sir, I associate myself with all that has been said about the late Khan Bahadur Makhdum Syed Rajan Bakhsh Shah. As a gentleman, he was always courteous and ready to extend such help as he could to anybody who was in need of assistance. We have seen him for so many days, and, I am sure, his loss is mourned by every Member of this House. In him we are losing a type of gentleman which, as my Honourable friend, Sir Cowasji Jehangir, just mentioned, is fast disappearing. He belonged to that particular type of gentlemanliness which is becoming more and more rare in these days, and, as such, we feel his loss very much. I associate myself and my Party with the sentiments of grief that have been expressed, and I request you, Sir, to convey a message of condolence to all those members of his family who are left behind.

Sir Leslie Hudson (Bombay: European): Mr. President, I feel I can add very little to the words which have fallen from other Honourable Members in lamenting the passing away of one of our number here, of one, who, as has been said, has rightly been named the Father of the House. We have known him slightly, it is true, but we always had from him a smile and a word and the greatest courtesy on every occasion. I can only ask you, Sir, to include the condolences of myself and of the European Group in the letter which you will be addressing to our late colleague's family.

Mr. President (The Honourable Sir Abdur Rahim): When I saw the news of the death of Khan Bahadur Makhdum Syed Rajan Bakhsh Shah, I felt a personal shock, although I knew that for some time he had been keeping very bad health. He was a personal friend of mine, and, from what I

[Mr. President.]

knew of him, I held him in great respect for his strong character and personality. I also knew that, belonging as he did to the well-known Pir family of Multan, he exercised an influence always to the good on his followers in the community and on the population generally of Multan. The Honourable Sir Henry Craik has spoken in very feeling terms of the deceased, and I associate myself entirely with him and the other speakers who have spoken today. He was a man of a very straightforward character; and, as has been said, he was extremely courteous and always ready to help those who sought his assistance. It will be my sad duty to convey the condolences and expressions of grief that have found vent in this House on this sad occasion to the bereaved members of his family. As has been stated, he was the oldest elected Member of this House, universally popular; and almost till the last moment he did his duty although suffering from considerable pain and disability. I understand it is the general desire of Members of this House that the House should adjourn for the rest of the day as a mark of respect to the memory of the deceased, Khan Bahadur Makhdum Syed Rajan Bakhsh Shah; and, in the exceptional circumstances of the case, I shall adjourn the business of the House for the rest of the day.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 7th April, 1936.

LEGISLATIVE ASSEMBLY.

Tuesday, 7th April, 1936.

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

QUESTIONS AND ANSWERS.

GOVERNMENT'S POLICY REGARDING STAFF OF STATE RAILWAYS PROSECUTED BY THE PUBLIC.

1442. ***Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of staff (both gazetted and non-gazetted) on Indian State Railways prosecuted by the travelling public for acts performed in the course of their duties?

The Honourable Sir Muhammad Zafrullah Khan: Each case is dealt with on its merits. I would, however, refer the Honourable Member to paragraph 252(a) of the State Railway Open Line Code, Volume II, a copy of which is in the Library of the House.

INCLUSION OF ADOPTIVE PARENTS IN THE STATE RAILWAY GRATUITY RULES.

1443. ***Dr. N. B. Khare:** Will Government please state the consideration which made the Railway Board to include adoptive parents within the expression "dependent members of the family" as referred to in rule 25 of the State Railway Gratuity Rules and as amended by Railway Board's No. 9554-E., dated the 7th March, 1935?

The Honourable Sir Muhammad Zafrullah Khan: Under the Hindu Law adoptive parents have in Law the status of natural parents. The main test of eligibility for a compassionate gratuity under rule 25 is dependence on the deceased employee and the Railway Board thought it desirable to issue instructions to remove doubts on the subject and to make it clear that adoptive parents, if dependent, might be treated as natural parents.

CHECK OVER THE WORK OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

1444. ***Sardar Sant Singh:** (a) Is it a fact that the Railway Board recently issued orders to the Agents of the State-managed Railways that there should be checks over the work of Travelling Ticket Examiners and that it should be arranged by Chief Accounts Officers by senior Travelling Ticket Examiners of certain seniority and standing?

(b) Will Government please state whether this system has been brought into force on the North Western Railway? If not, when is the North Western Railway likely to comply with the orders of the Railway Board?

The Honourable Sir Muhammad Zafrullah Khan: (a) The orders issued are for surprise checks by men of certain seniority and standing to be arranged for by the Chief Accounts Officer in consultation with the Chief Commercial Manager.

(b) Government understand that the arrangements to be made for these checks are being considered by the administrative officers concerned.

Qazi Muhammad Ahmad Kazmi: In regard to part (a) of the question, Sir, have the Railways found that it is necessary that checking should be done by another Department, I mean the Accounts Department?

The Honourable Sir Muhammad Zafrullah Khan: It is not another Department.

Qazi Muhammad Ahmad Kazmi: What I mean is that checking has to be done by the Accounts Department also in addition to the checking done by the Traffic Department.

The Honourable Sir Muhammad Zafrullah Khan: I thought the Honourable Member meant that checking was done by some Department other than the Railway Department.

Qazi Muhammad Ahmad Kazmi: My point is whether the Railways have found that it will be more efficient if the checking were done by the Accounts Department and not by the Traffic Department under which the travelling ticket examiners are working?

The Honourable Sir Muhammad Zafrullah Khan: In order that surprise check should be of value, it should be done in the manner indicated in part (a) of the answer.

Qazi Muhammad Ahmad Kazmi: Will it not be more feasible and advantageous if this checking were left in the hands of the Accounts Department as before instead of in the hands of the Traffic Department as at present?

The Honourable Sir Muhammad Zafrullah Khan: Does the Honourable Member mean ordinary checking?

Qazi Muhammad Ahmad Kazmi: I mean the super checking that is being proposed now.

The Honourable Sir Muhammad Zafrullah Khan: That is arranged for by the Accounts Department.

Qazi Muhammad Ahmad Kazmi: The staff that was taken over from the Accounts Branch has been handed over to the Operating Branch, and I want to know if they will be transferred back to the Accounts Branch?

The Honourable Sir Muhammad Zafrullah Khan: That does not arise out of this quest:--

Qazi Muhammad Ahmad Kazmi: Is it proposed to employ new staff?

The Honourable Sir Muhammad Zafrullah Khan: That does not arise out of this question either.

OPTION TO THE OLD TRAVELLING TICKET EXAMINERS TO SELECT THE POST OF "B" CLASS GUARDS ON THE NORTH WESTERN RAILWAY.

1445. *Sardar Sant Singh: (a) Will Government please state the number of vacancies of 'B' class guards on the North Western Railway?

(b) Are Government aware that the old Travelling Ticket Examiners of the North Western Railway were considered to be a running staff before June 1931?

(c) Are Government prepared to give an option to the old Travelling Ticket Examiners to select the post of 'B' class guards? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

PAYMENT OF THE RENT OF LAND BY LEASE-HOLDERS IN DELHI.

1446. *Sardar Sant Singh: (a) With reference to the reply given to my starred question No. 451, part (d), asked on the 17th September, 1935, regarding payment of the rent of land by lease-holders in Delhi, are Government aware that as against two or three complaints stated therein, there were about 50 complainants, some of whose names are given below:

1. Hafiz Imam Khan, 2. Ch. Mehtab Khan, Contractor, 3. Mistri Ibrahim, 4. Mistri Chand Khan, 5. Mr. Bhaundu Khan, Contractor, 6. S. Hardit Singh, 7. S. Atma Singh, 8. Mr. Ahmad Ali, 9. Mr. Ilahi Bux, 10. Mr. Kashmira Singh, 11. Mr. Aziz Khan, 12. Babu Abdul Rahman, 13. S. Sardar Singh, 14. Mr. Hakim Singh, 15. Mr. Hasan Khan, 16. Mr. Gurbachan Singh, 17. Mr. Ram Singh, 18. Mr. Devi Singh, 19. Mr. Abdullah, 20. Mr. Ghanyha Singh, 21. Mr. Hari Singh, etc., etc.?

(b) What steps do Government propose to take against the officer who submitted false reports of having received complaints from two or three lessees only?

(c) How were the complaints of so many above mentioned lessees disposed of?

(d) Are Government aware that almost all of the above mentioned men asked for an impartial enquiry into certain allegations against the Lambardar of Gurdwara Road, Karol Bagh, Delhi, regarding his misbehaviour and ill-treatment, etc.?

(e) Are Government aware that the reported enquiry was held by one of the officers of the Nazul Department, Delhi?

(f) Do Government propose to have the matters investigated afresh and redress the grievances of so many complainants? If not, why not?

Sir Girja Shankar Bajpai: (a) No complaints were filed by the persons whose names have been mentioned; nor was the number of complaints greater than that mentioned by me in the reply referred to by the Honourable Member.

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

(d) No.

(e) The enquiry was held by the Tahsildar Nazul, Delhi.

(f) In view of the answer given to part (a) of this question and to part (d) of his previous question Government see no reason to take the action proposed by the Honourable Member.

PAYMENT OF THE RENT OF LAND BY LEASE-HOLDERS IN DELHI.

1447. *Sardar Sant Singh: With reference to the reply to part (e) of my starred question No. 451, asked on the 17th September, 1935, cannot a tenant in order to ensure safe payment of the rent of leased land, pay to the Deputy Commissioner, Delhi's office, direct by cheque or money order through the medium of post? If not, what are the reasons?

Sir Girja Shankar Bajpai: The arrangement suggested is not practicable. No record of demand is maintained in the Deputy Commissioner's Office against individual lessees, whose number, I may add, is very large. Consequently, remittance direct through the post to the Deputy Commissioner would lead to confusion. I may add that the collection of nazul dues through the Lambardar is a common practice and there is nothing exceptional in its being followed in Delhi.

RECRUITMENT OF SIKHS IN THE OFFICE OF THE DIRECTOR OF PUBLIC INFORMATION.

1448. *Sardar Sant Singh: (a) What is the present strength of the ministerial staff of the Office of the Director of Public Information, Home Department, and what is the percentage of each community?

(b) Are Government aware that there is not a single Sikh Assistant or clerk in this office? If so, why?

(c) Are Government prepared to order the recruitment of a few Sikhs in this office in future vacancies? If not, why not?

The Honourable Sir Henry Craik: (a) The strength is 12, of whom 50 per cent. are Hindus, 25 per cent. Muslims and 25 per cent. other minorities.

(b) and (c). It is true that there is no Sikh in this office at present. I may explain that no vacancies are reserved for Sikhs but $8\frac{1}{3}$ per cent. of vacancies are reserved for the other minorities including Sikhs. The strength of the other minorities in this office is in excess of the percentage reserved for them.

RECRUITMENT OF SIKHS IN THE OFFICE OF THE DIRECTOR OF PUBLIC INFORMATION.

1449. *Sardar Sant Singh: (a) Is it a fact that some peons and daftries' appointments have recently been sanctioned for the Office of the Director of Public Information?

(b) Are Government aware that about four or five vacancies of peons have already been filled up so far by Muhammadans only? If so, under whose orders has the recruitment from only one minority community been made?

(c) Why were the Home Department's orders, regarding filling up all new appointments, not observed by the establishment officer in making these appointments? Who is responsible for the disregard of these orders in this case?

(d) Are Government prepared to order the recruitment of Sikhs also? If not, why not?

The Honourable Sir Henry Craik: (a) Yes.

(b) There have been six vacancies among peons, three of which have been filled by Muslims and three by Hindus.

(c) and (d). It is not the policy of Government to fill menial posts on a communal basis. No orders on the subject have been issued or are contemplated on the lines suggested.

FILLING UP OF THE APPOINTMENT OF ASSISTANT DIRECTOR IN THE SIND AND BALUCHISTAN POSTAL CIRCLE BY MEMBERS OF DIFFERENT COMMUNITIES.

1450. *Mr. Lalchand Navalrai: (a) Is it a fact that:

(i) the Sindh and Baluchistan Circle (Postal and Telegraph) was created in the year 1922; and

(ii) during this period of 14 years, the appointment of Assistant Director has been held by Muslims for $11\frac{1}{2}$ years, and by non-Muslims for $2\frac{1}{2}$ years?

(b) If the reply to part (a) above be in the affirmative, are Government prepared to see that the appointment is filled by the members of different communities by turn?

The Honourable Sir Frank Noyce: (a) (i) Yes.

(ii) No.

(b) This part of the question does not strictly arise in view of my reply to part (a) (ii) of the question but I may inform the Honourable Member that postings of officers are not made on communal grounds.

Mr. Lalchand Navalrai: May I know, Sir, if there is any fixed term for the Assistant Director to remain in one place?

The Honourable Sir Frank Noyce: I should require notice, Sir.

Mr. Lalchand Navalrai: May I know, Sir, if there is an Assistant Director who is unpopular, what is the way of getting him out of that place?

(No reply.)

TRANSFER OF A HINDU DISTRICT MEDICAL OFFICER FROM THE GREAT INDIAN PENINSULA RAILWAY TO THE NORTH WESTERN RAILWAY.

1451. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Is it a fact that, recently, a senior Hindu District Medical Officer has been transferred from the Great Indian Peninsula Railway to the North Western Railway?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether this transfer has affected the seniority of other District Medical Officers on the North Western Railway? If so, will Government be pleased to state the number and names of the officers affected?

(c) Has this transfer caused a vacancy on the Great Indian Peninsula Railway and, if so, how has this vacancy been filled?

(d) Is it a fact that, but for this transfer, the man for North Western Railway would have been recruited through the Public Service Commission and from the Muslim community?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) No, because for purposes of promotion to the post of Chief Medical Officer, District Medical Officers of all Railways are borne on a common list.

(c) No. It was found that the North Western Railway required two additional District Medical Officers and these could be spared from the Great Indian Peninsula Railway.

(d) The question is a hypothetical one.

PROTECTION OF INTERESTS OF MUSLIMS ON THE EASTERN BENGAL RAILWAY.

1452. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** What special steps were taken by the present Director of Establishment of the Railway Board during the period of his Deputy Agency of the Eastern Bengal Railway to protect the interests of Muslims, as was required under the order of the Railway Board? If no special means were taken in this direction, as revealed by the Muslim percentage of employees before and after retrenchment, what action did Government take against the person responsible for disobeying Government orders?

The Honourable Sir Muhammad Zafrullah Khan: Government are satisfied that the orders issued to Railway Administrations to consider communal interests, as far as possible, when effecting retrenchment, were duly observed by the Eastern Bengal Railway.

CANCELLATION OF THE APPOINTMENTS OF MUSLIM INSPECTORS IN THE CREW DEPARTMENT, EASTERN BENGAL RAILWAY.

1453. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Is it a fact that recently the Agent, Eastern Bengal Railway intended to make some direct appointments of Muslim Inspectors in the Crew Department of his Railway?

(b) Is it a fact that the Agent strongly favoured those appointments?

(c) Is it a fact that the Agent has full powers to appoint subordinate staff?

(d) Is it a fact that under instructions of the Railway Board the Agent cancelled these appointments?

(e) What justification had the Railway Board to intervene in the appointments of Crew Inspectors of Eastern Bengal Railway and have the appointments cancelled?

(f) Will Government be pleased to state in how many cases the Railway Board have so intervened during the last five years and had the appointments cancelled, giving particulars of each case?

(g) If the Board did not interfere in any other case, what was the particular reason for interfering in this case?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

LEVY OF INCOME-TAX ON THE SIMLA HOUSE RENT ALLOWANCE.

1454. ***Sardar Sant Singh:** (a) Is it a fact that Government have recently agreed to charge income-tax on the Simla house rent allowance granted to the staff of the Government of India Secretariat?

(b) Are Government aware that the question of levying the income-tax on the Simla house rent allowance was considered twice before but was never agreed upon?

(c) Are Government aware that one of the reasons for not allowing this charge to be made was that the Simla house rent allowance was never considered as a source of income to the employees of the Secretariat?

(d) Are Government aware that another factor for the non-acceptance by the Government of India, of the proposal to allow income-tax deductions to be made from the Simla house rent allowance was an administrative one also?

(e) Is it a fact that the Home Department even on this occasion did not agree once to this proposal?

(f) Will Government please state how the circumstances have now differed in warranting the acceptance of this proposal, and what points were adduced in favour thereof?

(g) Are Government aware that this has caused a great discontentment among the staff of the whole Secretariat?

(h) Are Government further aware that this decision is going to operate upon certain staff of the Secretariat so harshly that by the addition of Simla house rent allowance to the total income of the year, their income either becomes taxable or for payment of income-tax at a much higher rate?

(i) Are Government aware that the grant of Simla house rent allowance is not at all a source of income, and that the same amount is paid to the landlords almost at once directly?

(j) Are Government further aware that by this kind of payment by the employees of the Secretariat to the landlords in Simla, the staff of the Secretariat is only an intermediary party and it is not at all an income to the employee?

(k) Are Government aware that the above affords increase in the income of the landlords who already pay tax over such incomes?

(l) How far is this double charge by Government reasonable?

(m) Are Government prepared to reconsider their decision and remove the discontent of the staff? If not, why not?

The Honourable Sir Henry Craik: (a), (c), (d) and (f). The Simla house-rent allowance was previously exempted from income-tax on the ground that during the Simla season the clerical staff were maintaining houses in the plains and hence the rent which they had to pay in Simla

was an additional expense wholly and necessarily incurred in the performance of their duty. As the great majority of the staff are now provided with Government quarters in Delhi, for which they pay rent during the Delhi season only, and the cost of maintaining a second residence when they are in Simla is not incurred, it has been decided to tax the house-rent allowance and the perquisite of free quarters with effect from the ensuing financial year.

(b) No.

(c) I am not prepared to disclose what transpired in the course of the discussions. The decision was that of the Government of India as a whole.

(g) No.

(h) Government are aware that this allowance may raise the total income of the recipients to a level where income-tax becomes payable or becomes payable at a higher rate.

(i) and (j). There is no difference in this respect between the Simla house rent allowance and the house rent allowances payable in other places, which are subject to income-tax.

(k) No.

(l) The Honourable Member is asking for an opinion.

(m) Government see no reason to treat the Simla house rent allowance differently from the house rent allowances payable in other places, such as Calcutta and Bombay.

Sardar Sant Singh: Is it a fact, Sir, that a similar proposal was before the Government some years ago, and the Department refused to pay the income-tax, and then it was dropped?

The Honourable Sir Henry Craik: As I have explained, in previous years, the Simla house-rent allowance was exempted from income-tax, because, during the Simla season, the staff were maintaining houses in the plains, but now the great majority of them are provided with Government quarters in Delhi, and the cost of maintaining a second residence in the plains is not incurred.

Qazi Muhammad Ahmad Kazmi: With reference to part (k), have not landlords got to pay income-tax on the rent that they get from the staff?

The Honourable Sir Henry Craik: The landlords pay income-tax on their total income including the rent received.

Qazi Muhammad Ahmad Kazmi: If they pay income-tax on this amount and the tenants also pay tax on the same amount, should not the answer to part (k) be "Yes" and not "No"?

The Honourable Sir James Grigg: The Honourable Member has discovered a complete logical fallacy. Quite obviously it is no good following any particular element of income and say that it shall only be taxed once in the whole course of its peregrinations all around India. For instance, if I pay an assistant out of my own pocket money which brings him within the income-tax limit, he has got to pay income-tax as well as I.

BREAK OF JOURNEY ON THE GREAT INDIAN PENINSULA RAILWAY.

1455. *Mr. Sri Prakasa: (a) Is it a fact that the Great Indian Peninsula Railway does not allow break of journey till at least a 100 miles have been travelled, while other railways permit this break even before 100 miles, in the case of tickets for more than 100 miles?

(b) If so, do Government propose to induce the Railway administration to provide the same facility in this matter as the other railways do?

The Honourable Sir Muhammad Zafrullah Khan: (a) No, except in the case of tickets issued at lower or concession fares specially quoted between certain stations when the through fare to the place for which the ticket has been issued is less than the fare from the starting station to the place at which the passenger desires to break his journey.

(b) No, as Government do not consider that the restriction is unfair or unreasonable.

Mr. Lalchand Navalrai: May I know if the practice is uniform on all railways?

The Honourable Sir Muhammad Zafrullah Khan: I shall require notice of that question.

Mr Sri Prakasa: Does the railway fear any fraud if this concession is permitted?

The Honourable Sir Muhammad Zafrullah Khan: I cannot say.

Mr. Sri Prakasa: Is it not a fact that a similar rule existed on the E. I. Railway, and that they have now abolished it?

The Honourable Sir Muhammad Zafrullah Khan: It may be so.

Pandit Lakshmi Kanta Maitra: Is it not a fact that this practice also prevails on the E. B. Railway?

The Honourable Sir Muhammad Zafrullah Khan: That may be a fact. I cannot reply to all these questions about all railways without notice.

Qazi Muhammad Ahmad Kazmi: Is it not a fact that previously, on most of the railways, journey could be broken after completing hundred miles and now most other railways have allowed this concession?

The Honourable Sir Muhammad Zafrullah Khan: I cannot answer with regard to other railways.

Pandit Lakshmi Kanta Maitra: Do Government propose to introduce a sort of uniformity in this respect on all railways?

The Honourable Sir Muhammad Zafrullah Khan: Not necessarily.

Mr. Sri Prakasa: If other railways allow this concession, what is the harm in the G. I. P. Railway allowing it?

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BREAK OF JOURNEY ON THE GREAT INDIAN PENINSULA RAILWAY.

1455. *Mr. Sri Prakasa: (a) Is it a fact that the Great Indian Peninsula Railway does not allow break of journey till at least a 100 miles have been travelled, while other railways permit this break even before 100 miles, in the case of tickets for more than 100 miles?

(b) If so, do Government propose to induce the Railway administration to provide the same facility in this matter as the other railways do?

The Honourable Sir Muhammad Zafrullah Khan: (a) No, except in the case of tickets issued at lower or concession fares specially quoted between certain stations when the through fare to the place for which the ticket has been issued is less than the fare from the starting station to the place at which the passenger desires to break his journey.

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The Honourable Sir Muhammad Zafrullah Khan: I cannot say.

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Pandit Lakshmi Kanta Maitra: Do Government propose to introduce a sort of uniformity in this respect on all railways?

The Honourable Sir Muhammad Zafrullah Khan: Not necessarily.

Mr. Sri Prakasa: If other railways allow this concession, what is the harm in the G. I. P. Railway allowing it?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has said that he does not know what the other railways do.

Mr. Sri Prakasa: He does not know about other railways, but he has got information about the G. I. P. Railway.

The Honourable Sir Muhammad Zafrullah Khan: If the question is that other railways allow a break of journey before 100 miles are completed, my reply was that so does the G. I. P. Railway, except with regard to tickets issued at a specially reduced rate where the fare from the starting station to the station at which the journey is desired to be broken is greater than the fare that has been paid on the whole of that ticket.

Mr. Sri Prakasa: Is there a special concession rate between Delhi and Agra? I ask this in view of the fact that such break of journey is not allowed between these two stations?

The Honourable Sir Muhammad Zafrullah Khan: I do not know if there is any concession rate between Delhi and Agra.

Mr. Sri Prakasa: Will the Honourable Member inquire?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will put down a question, I will get the information and supply it to him.

Mr. Sri Prakasa: The question is already there.

The Honourable Sir Muhammad Zafrullah Khan: The question whether there is a special concession rate between Delhi and Agra is not there.

NON-ISSUE OF WEEK-END RETURN TICKETS FOR UPPER CLASSES ON THE GREAT INDIAN PENINSULA RAILWAY.

1456. ***Mr. Sri Prakasa:** (a) Is it a fact that week-end return tickets are given by the Great Indian Peninsula Railway between Delhi and Agra for intermediate and third classes and not for the higher classes?

(b) If so, are Government prepared to recommend to the railway to extend the facility as is done by other railways?

The Honourable Sir Muhammad Zafrullah Khan (a) Yes.

(b) I am conveying the Honourable Member's suggestion to the Agent of the Great Indian Peninsula Railway for consideration.

Mr. Sri Prakasa: Will the Honourable Member also add that he himself would like this concession to be extended?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

FACILITIES TO GOVERNMENT SERVANTS FOR PAYMENT OF INCOME-TAX.

1457. ***Mr. Sri Prakasa:** (a) Is it a fact that there are special rules by which Government servants make a return of their incomes to special officers for purposes of payment of income-tax, and are not required to observe the formalities necessary in the case of non-officials?

(b) If so, why are special facilities afforded to Government servants?

(c) Are Government prepared to equalize the status of officials and non-officials, so far as the payment of income-tax is concerned, and afford them all equal facilities or impose on all equal disabilities?

Mr. A. H. Lloyd: (a) No.

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

Mr. Sri Prakasa: Is it not a fact that in the United Provinces there is a special officer to whom the Government servants have to send their returns and that they have not to send their returns to the local officer in charge, as other residents of the district have to do?

Mr. A. H. Lloyd: It is a fact that in most, if not all, parts of India, there are what are called salary circles to which special income-tax officers are posted. These salary circles are not confined to Government servants. There are also salary circles for private citizens.

Mr. Sri Prakasa: Have Government servants also got to submit their pass books and other documents just as ordinary citizens have to do?

Mr. A. H. Lloyd: That depends on the circumstances of each case.

Mr. Sri Prakasa: I do not quite follow the Honourable Member. Is there a difference between a pass book held by a Government servant and one held by a private citizen?

Mr. A. H. Lloyd: The Honourable Member assumes that in all cases of assessment of non-Government servants, pass books have to be produced before the income-tax officer. That is not correct.

Mr. Sri Prakasa: That is absolutely correct. I pay income-tax, and I know.

Mr. A. H. Lloyd: May I point out that the Honourable Member is not the only inhabitant of this country?

Mr. Sri Prakasa: No, there are others but so far as I personally know, they have, all of them, to submit their pass books when they are not Government servants, and not to submit them when they are Government servants. The Honourable Member can take that from me.

Mr. President: (The Honourable Sir Abdur Rahim): The Honourable Member has got the answer. Next question.

ENCOURAGEMENT TO BRITISH SOLDIERS IN THE INDIAN ARMY TO MARRY.

1458. ***Mr. Sri Prakasa:** (a) Is it true that only a certain percentage of British soldiers in the Indian Army is allowed to marry?

(b) If so, what is that percentage? And what is the principle in not allowing all to marry?

(c) Is it a fact that the old system of keeping brothels for soldiers has been abolished, and that the majority of soldiers have no legitimate means for satisfaction of natural passions and emotions? If so, are Government prepared to consider the desirability of encouraging these soldiers to marry?

(d) Is it not a fact that Indian soldiers are almost all married? If so, have Government found that this has in any way affected their efficiency or discipline?

Mr. G. R. F. Tottenham: (a) and (b). Any soldier over the age of 26 is officially permitted to marry, but for reasons of economy the number of married quarters in India has to be limited, and only those of the rank of sergeant and four per cent. of those below can hope to obtain accommodation for their wives.

(c) The answer to the first part of the question is in the affirmative. As regards the second there is no intention of changing the policy.

(d) There is no restriction on the number of Indian soldiers who may be married, but married accommodation is only provided for a limited number.

The reply to the second part is in the negative.

Pandit Lakshmi Kanta Maitra: If a large number of soldiers desire to marry, how is this four per cent. selected?

Mr. G. R. F. Tottenham: I shall require notice of that. I do not know exactly how the four per cent. is selected.

Mr. S. Satyamurti: With reference to clauses (a) and (b), may I know who has prescribed this percentage? Is it the Indian army authorities, or the British army authorities?

Mr. G. R. F. Tottenham: No doubt the Government of India have fixed it in consultation with the army authorities in England.

Mr. S. Satyamurti: Have Government inquired, or do they propose to inquire, whether this virtual prohibition of a very large number of British soldiers from marrying while they are in India may have an adverse effect on the surroundings of the cantonment? Will they make inquiries so as to enable all people who are legally entitled to marry, to get married?

Mr. G. R. F. Tottenham: No, Sir. They have not made any special inquiries on that point, because they are perfectly well aware of the facts. The fact is that it would be prohibitively expensive to provide married quarters for any considerably larger number than those for whom married quarters are provided at present.

Mr. S. Satyamurti: Are Government satisfied that the present low percentage of those who can really marry has not had, or is not likely to have an adverse effect on the morals of the surrounding places?

Mr. G. R. F. Tottenham: Government are satisfied from the facts that I quoted the other day, bearing on what the Honourable Member has in mind, that the disciplinary cases arising in this connection are considerably less than they were some years ago.

Mr. S. Satyamurti: Have Government made any calculations of the extra cost involved in providing married quarters, not on a luxurious scale, but on a moderately comfortable scale, for all people who desire to marry?

Mr. G. R. F. Tottenham: They have not made any detailed estimate of the cost of the various scales of accommodation that would be required.

Mr. S. Satyamurti: Will Government consider retaining here only those British soldiers who are married, and send away the rest to their own country?

The Honourable Sir James Grigg: No.

Mr. Sri Prakasa: Are soldiers allowed to visit the interior of cities from time to time for purposes which need not be mentioned?

Mr. G. R. F. Tottenham: No.

ALLOWING OF PERSONS GOING ON RAILWAY PLATFORMS TO POST LETTERS WITHOUT PLATFORM TICKETS.

1459. ***Mr. Sri Prakasa:** (a) Is it a fact that railway authorities do not permit persons to go to the platforms at many places without platform tickets, even to post their letters in the Railway Mail Service post boxes? If so, are Government prepared to take steps to instal Railway Mail Service post boxes outside all stations where platform tickets are in force?

(b) Is the Honourable Member for Industries and Labour prepared to try to induce the Honourable the Commerce Member to recommend to the Railways to permit *bona fide* persons, wanting to post letters in the trains when they are in, to do so without the necessity of buying platform tickets?

The Honourable Sir Frank Noyce: (a) The reply to the first part of the question is in the affirmative. As regards the second part, instructions have already been issued to all Heads of Circles to instal letter-boxes at railway stations as far as possible in such a way as to permit of postings from inside as well as from outside the platform. Letter-boxes on railway platforms are, however, meant mainly for passengers travelling by trains.

(b) It would not be practicable for the Ticket Collector at the entrance to the platform, which is also the exit for passengers who have detrained, to distinguish persons who have detrained from those who were allowed free admission to the platform. Government do not, therefore, propose to make any exception in the case referred to.

Mr. Sri Prakasa: In view of the fact that free permits are allowed to persons visiting the platforms in order to see a member of the railway staff on business, could not such permits be also issued to those who want to post letters?

The Honourable Sir Frank Noyce: No. I think the matter is not of sufficient importance to justify the course suggested by my Honourable friend. If any individual wants to post a letter urgently on a train, surely it is not too much to ask him to purchase a platform ticket. In any case, there are usuals ample postal facilities provided in cities and towns.

Mr. Sri Prakasa: Does the Honourable Member realise that it considerably enhances the charge of postage, because it involves the payment of an anna for entry into the platform?

Prof. N. G. Ranga: Are Government prepared to allow those people who pay late fees to go on to the platform without the purchase of tickets?

The Honourable Sir Frank Noyce: No, Sir.

Prof. N. G. Ranga: Why not, Sir.

The Honourable Sir Frank Noyce: For the reasons that I have already given.

Prof. N. G. Ranga: May I ask, Sir.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should not argue the matter.

Prof. N. G. Ranga: He has not given any reasons.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

RAILWAY ADVERTISEMENTS IN INDIAN NEWSPAPERS.

1460. ***Mr. Sri Prakasa:** (a) What are the rules, if any, for railways to send their advertisements to Indian papers?

(b) Are there any political considerations in their choice of newspapers which they patronise for the purpose?

(c) Do the Central or Provincial Governments now and then advise railway administrations as to which papers are *not* to be patronised?

(d) What is the reason for the East Indian Railway withdrawing their advertisements from the *Aj* (Benares) and *Pratap* (Cawnpore) which have large circulations in the tracts through which that railway passes?

(e) Was any communication received by them from the United Provinces Government on the subject?

(f) Are Government prepared to recommend to the Railways to look only to the possibility of the largest amount of publicity and not to the political opinions of any particular newspapers when advertising?

The Honourable Sir Muhammad Zafrullah Khan: (a) There are no rules.

(b) The tone of a paper is taken into consideration but the main consideration is the value of a paper as an advertising medium.

(c) Yes.

(d) and (e). Government have called for information.

(f) No.

Sardar Sant Singh: What is meant by the tone of the paper?

Mr. S. Satyamurti: Does the word "tone" refer to the political, social, or religious tone of the paper? Does it refer to a paper which supports Government in whatever they do, or does it refer to a paper which has a healthy public tone and criticises fearlessly?

The Honourable Sir Muhammad Zafrullah Khan: I think the question contains too many assumptions.

Mr. S. Satyamurti: Which is correct? None, or all?

The Honourable Sir Muhammad Zafrullah Khan: The Railways have got a discretion in the matter. If they find that a particular paper is not desirable from any point of view, they exercise their discretion in the matter.

Sardar Sant Singh: Do they give these advertisements to papers which habitually support Government in order to subsidise them?

The Honourable Sir Muhammad Zafrullah Khan: No.

Mr. S. Satyamurti: I want to know what are the considerations which generally weigh with the railways in determining the class of newspapers to which advertisements are sent.

The Honourable Sir Muhammad Zafrullah Khan: I cannot tell the Honourable Member how the mind of a particular publicity officer or Agent works in the matter.

Mr. N. V. Gadgil: Is there any ban against Indian owned papers and Indian conducted papers?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

Mr. Lalchand Navalrai: Is there any list of newspapers to which the railways send advertisements?

Pandit Lakshmi Kanta Maitra: Is it a fact that nationalist journals are not given any advertisements?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will supply me with a list of nationalist journals, I can tell him which are given advertisements and which are not.

Mr. Sri Prakasa: Two are mentioned in this connection, and what I want to know is, whether the discretion of railways is governed by hints from Government?

The Honourable Sir Muhammad Zafrullah Khan: I have already replied to that question.

Mr. S. Satyamurti: With reference to clause (f), may I know whether Government will issue instructions to Railway Administrations to give their advertisements to the papers which have the largest publicity, and not to import any other consideration whatever?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will explain how his supplementary question differs from part (f) of the original question, I shall try to give him a reply. If it is the same, I have already answered.

Mr. S. Satyamurti: Will Government issue instructions in future to all railways not to take the political opinions of the paper into consideration?

The Honourable Sir Muhammad Zafrullah Khan: I have given the reply to part (f) of the question. If the Honourable Member will explain to me how this supplementary question is different from part (f), I shall give a reply.

Mr. Sri Prakasa: This is a commercial department. Why do Government permit political considerations?

Mr. President (The Honourable Sir Abdur Rahim): These are all arguments.

RATE REGISTER SCHEME ON THE NORTH WESTERN RAILWAY.

1461. ***Mr. S. Satyamurti:** (a) Is it a fact that the Rate Register scheme was started in 1929 and then extended for a period of two years from 1st July, 1934, and that the Agent, North Western Railway, was asked to submit a report on its working?

(b) Will Government be pleased to state if the Agent has submitted his report?

(c) If the answer to part (b) be in the affirmative, will Government please state what the recommendations of the Agent are, and what decision has been arrived at?

(d) Is it a fact that again another extension has been granted instead of the scheme being made permanent?

(e) What is the total staff employed on the experiment? Are they permanent or temporary?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes, except that the registers were not issued to stations till the close of the year 1930.

(b) No.

(c) Does not arise

(d) Yes, up to the 31st December, 1936, with a view to ascertaining whether the existing machinery for maintaining the registers can work efficiently and expeditiously consequent on the numerous changes that are necessitated by recent alterations in rates.

(e) 32 subordinate staff of whom 11 are permanent and 21 temporary, and three inferior staff.

FIXATION OF DATES FOR ELECTIONS TO PROVINCIAL LEGISLATURES.

1462. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they are carrying on any correspondence with the Provincial Governments in order to fix a date for Provincial elections for Provincial legislatures, under the Government of India Act, 1935;

(b) whether they have come to any conclusion on the question of fixing a date for these elections *simultaneously* in all the Provinces;

(c) whether they propose to take into consideration the necessity of so fixing a date as to enable the largest number of voters to vote in the polling booths; and

(d) whether they propose to make an announcement on this matter, as early as possible, to enable the organisers of parties to proceed with their work?

The Honourable Sir Nripendra Sircar: (a) and (b). I could invite the Honourable Member's attention to the answers given by me to parts (c), (d) and (e) of his starred question No. 1144, to which I have nothing to add.

(c) The Local Governments and the Government of India naturally desire that the fullest practicable opportunity of exercising the franchise should be afforded to the new electorates, and this will be borne in mind in arranging for the new elections. But the holding of the elections must of course take its natural place in the whole sequence of arrangements.

(d) The Honourable Member may rest assured that Local Governments will announce their electoral time tables as soon as they are in a position to do so, and that in this matter, they will, as in the past, have regard to the interests of all concerned.

Mr. S. Satyamurti: May I know if the Government are aware that certain Local Governments have already made tentative announcements, with regard to the dates of the elections?

The Honourable Sir Nripendra Sircar: My friend may be right. I have no information.

Mr. S. Satyamurti: Are the Government of India consulted at any stage by the Provincial Governments, before they make up their minds on this matter?

The Honourable Sir Nripendra Sircar: Informal consultations go on all the time.

Mr. S. Satyamurti: Will Government give a direction as suggested in clause (f) of the question—that these elections should take place simultaneously in all the provinces?

The Honourable Sir Nripendra Sircar: There can be no objection to considering that proposition.

TRAINING OF INDIANS TO BE IN CHARGE OF BROADCASTING.

1463. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether any arrangements have been made, or are proposed to be made, to train Indians to be in charge of broadcasting in the country;

(b) if so, what those steps are; and

(c) if not, why not?

The Honourable Sir Frank Noyce: (a) and (b). I presume that the Honourable Member refers to the training of Indians for the higher posts, such as the posts of Station Engineer, Station Director, and Controller of Broadcasting. If so, I would point out that two of the three Station Directors and all three Station Engineers are already Indians. There is in the budget for 1936-37, a sum of Rs. 50,000 for experiment and research, and it is proposed to use a part of this sum for the training of new recruits both on the programme side and on the technical side. The training scheme will probably be worked out and put into operation before next cold weather.

(c) Does not arise.

Mr. S. Satyamurti: I am asking particularly about the Controller of Broadcasting. May I know if there is any scheme for training an Indian who can take the place of the present incumbent, as soon as his term expires?

The Honourable Sir Frank Noyce: No, Sir. I have already pointed out that two of the three Station Directors are already Indians. A number of new stations will probably be started in the course of the next few years; and when the time comes to replace the Controller of Broadcasting, there should be ample material available. The charge of a broadcasting station is in itself training.

Mr. S. Satyamurti: I am merely asking whether Government are taking all possible steps to find a competent Indian, when the time is due for filling up the post of the Controller of Broadcasting. Are they really taking steps to train an Indian? It is no good their telling us afterwards, that there is no trained Indian available.

The Honourable Sir Frank Noyce: I have already explained the steps that Government are already taking.

Mr. Lalchand Navalrai: May I know when Government would appoint apprentices to learn the work and to be trained for these posts?

The Honourable Sir Frank Noyce: To what posts is the Honourable Member referring? I have explained already that it is proposed to train new recruits both on the programme side and on the technical side.

Mr. Lalchand Navalrai: I would like to know where they are going to be trained . . . .

Mr. President (The Honourable Sir Abdur Rahim): This question has been sufficiently answered already: next question.

ACTION TAKEN UNDER THE CRIMINAL LAW AMENDMENT ACT, 1935.

1464. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) the number of cases in which action has been taken in the country, since the certification of the Criminal Law Amendment Act of 1935 by the Governor General;

(b) the reasons in each case for which such action has been taken; and

(c) whether they are prepared to consider the repealing of the Act?

The Honourable Sir Henry Craik: (a) and (b). The information is being collected and will be laid on the table of the House in due course.

(c) No.

Mr. S. Satyamurti: Has the Honourable the Home Member himself no notion at all about any cases in which action has been taken under the Criminal Law Amendment Act, 1935?

The Honourable Sir Henry Craik: I certainly have some information, but what the Honourable Member wants is a complete statement of all cases in every province.

Mr. S. Satyamurti: I am asking how many cases are now within the personal knowledge of the Honourable the Home Member, apart from the inquiry which he is conducting and the results of which we are going to await.

The Honourable Sir Henry Craik: I could not say off-hand.

Mr. S. Satyamurti: Have Government examined the question, in view of the fact that cases may be very few, of repealing this Act?

The Honourable Sir Henry Craik: That is making a presumption—to say that cases are very few.

DEFICITS IN PROVINCIAL BUDGETS.

1465. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether the fact, that most of the provincial budgets are deficit budgets, has been brought to the notice of Sir Otto Neimeyer;

(b) whether the report of Sir Otto Neimeyer will take into account this fact, and the present system and rate of taxation in India; and

(c) whether it will be placed before the House for its expression of opinion before the Government of India formulate their opinion or recommendations to His Majesty's Government?

The Honourable Sir James Grigg: (a) All the provincial budgets have naturally been placed in the hands of Sir Otto Niemeyer.

(b) I presume so.

(c) I can add nothing to the statement made by the Honourable the Leader of the House on the 24th of last month.

Mr. S. Satyamurti: May I know whether, since the 24th of last month any cablegram or letter has been sent to the Secretary of State, saying that, in the opinion of this House, His Majesty's Government ought to stay their hands, before passing final Orders in Council on this matter, until this House has had an opportunity of expressing its opinion on the results of Sir Otto Niemeyer's enquiry?

The Honourable Sir James Grigg: His Majesty's Government have been informed of exactly what took place in the House on the occasion to which the Honourable Member refers.

Mr. S. Satyamurti: I want a specific answer to a specific question. I want to know whether the Secretary of State has been told that this House wants an opportunity of expressing its opinion on the Niemeyer Report, before His Majesty's Government pass final orders thereon.

The Honourable Sir James Grigg: His Majesty's Government have been given a *verbatim* account of what took place in this House.

Mr. S. Satyamurti: Have the Government of India heard from His Majesty's Government, in answer to that telegram?

The Honourable Sir James Grigg: No, Sir, nor, to the best of my knowledge, has Sir Otto Niemeyer reached England as yet. The report has not yet been presented.

INCREASE IN THE PRICE OF AGRICULTURAL PRODUCTS.

1466. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they propose to take any steps to increase the price of agricultural products in the country;

(b) whether they have examined the question that the present depression in the country is largely due to this fall in prices;

(c) whether they propose to take steps in this direction promptly; and

(d) if not, why not?

Sir Girja Shankar Bajpai: (a) to (d). The depression in prices is world-wide and is governed by factors over which Governments have little control. The Government of India have, however, sought to assist the Indian producer of wheat, sugar and rice by imposition of protective duties.

Mr. S. Satyamurti: I am obliged to my Honourable friend for answering this question. I want to know, however, whether this Government have examined this question, and have come to a conclusion that there is nothing which this Government can do in this matter, and that they can only say that the causes are world-wide.

Sir Girja Shankar Bajpai: Government have constantly examined this question from time to time, and they have taken such action as appeared to them to be feasible.

Mr. S. Satyamurti: What is the specific action which they have taken to raise the prices of agricultural products in the country?

Sir Girja Shankar Bajpai: I have said that the Government's view is that the depression in prices is world-wide and is governed by factors over which Governments have little control, but, as a result of the depression, it has so happened that the internal production of certain commodities has been threatened by imports from outside and in those cases protective measures have been taken.

Mr. S. Satyamurti: Apart from those protective measures, am I to take it that Government proposes to do nothing in this matter? Has not the attention of the Government been drawn to the action which other Governments have been taking, so as to deal with this problem in an effective manner?

The Honourable Sir James Grigg: The important contribution of the Government to this question is *not* to do a good many of the extremely unsound and ineffective measures which have been proposed to them by Members of the Opposition.

Mr. S. Satyamurti: I can understand that perfectly;—all right—; but have they not been able to suggest something to themselves regarding some solution, and remedy the distress of this country?

The Honourable Sir James Grigg: I say that to refrain from doing a lot of idiotic things is, in itself, a pretty good contribution.

Mr. S. Satyamurti: Has the Honourable Member's attention been drawn to the fact that other countries have been taking some steps and been doing something positive in this direction, so as to increase the prices of their agricultural products?

The Honourable Sir James Grigg: Not with much success.

Mr. M. S. Aney: Is it to be supposed that there is a bankruptcy of constructive statesmanship on the part of this Government?

The Honourable Sir James Grigg: As I have said before, to refrain from doing the silly things which the Members of the Opposition have proposed to us is an act of constructive statesmanship. And, incidentally, when I have given voice to certain views which are designed at any rate to make it easier to resume the flow of international trade, I have not yet discovered much applause from the party opposite.

Mr. S. Satyamurti: Then, the Government propose to do nothing but to abuse us?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not answer that question.

Sardar Sant Singh: May I know if the Honourable Member knows that the wheat protective duty levied has expired on the 31st March last?

Sir Girja Shankar Bajpai: It is within the knowledge of every Member of this House that that duty expired on the 31st March.

Prof. N. G. Ranga: Is it not a fact that there has been a considerable amount of deflation of currency in this country during the last five years, and that, as a result, the prices of agricultural products have been very much cheaper?

The Honourable Sir James Grigg: I am not sure about the last five years, but I do know that there has been an actual expansion of currency in the period in which I have been in India. I can give the Honourable Member exact figures if he likes. I know for an absolute fact that there has been an expansion of currency in the last two years; about the last five years I cannot say.

Prof. N. G. Ranga: Is it not a fact that, during this period of depression, and during the last five years specially, there has been an actual contraction of currency in this country?

The Honourable Sir James Grigg: If the question is—"has there been a decrease in the circulation since 1931?"—I think that is absolutely certain, because the volume of currency required to carry the existing price structure is obviously much smaller than the volume required to carry a price structure nearly twice as big.

Prof. N. G. Ranga: Is it not a fact that even the seasonal expansion of currency which Government usually allow is being decreased from year to year, and that that also has a very depressing effect upon the prices of agricultural products?

The Honourable Sir James Grigg: There is no such thing as a seasonal expansion or contraction of currency, but if the Honourable Member wants to find out whether there is a sufficient currency to carry the existing volume of trade at the present price level, he can just look at the rates for call money in Bombay and Calcutta; at the present moment, obviously that is a fair indication of the position.

INDIAN TRADE RELATIONS WITH FOREIGN COUNTRIES.

1467. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they have examined, or propose to examine, the question of Indian trade relations with other countries, both inside and outside the British Commonwealth of Nations; and

(b) whether they propose to appoint an expert committee to enquire into the question of making the best arrangements for Indian foreign trade?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government have examined the question of India's trade relations with both Empire and non-Empire countries.

(b) No.

Mr. S. Satyamurti: Have Government given notice of termination of the Agreement to His Majesty's Government, as decided by the vote of the House the other day?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member has put down a question on that subject which I shall answer in due course.

Mr. S. Satyamurti: I am asking a supplementary question now whether the Government have given notice of termination.

Mr. President (The Honourable Sir Abdur Rahim): He wants notice.

Mr. S. Satyamurti: No, Sir. He does not require notice for this question. He says that it will be answered later on. I have given notice of a separate question on that subject. It may be reached in this Session, or it may not be reached. You will obviously see that he does not require notice of this question. Either I have given notice, in which case he is bound to answer it now. If I have not given notice, I am asking this question as a supplementary to this question. I submit I am entitled to put this question "whether they have examined or propose to examine the question of Indian trade relations with other countries both inside and outside the British Commonwealth of Nations; and whether they propose to appoint an expert committee to enquire into the question of making the best arrangements for Indian foreign trade". The House resolved the other day that the whole question should be examined; and I am asking whether Government have given notice to His Majesty's Government of the termination of the Ottawa Agreement in pursuance of the decision of the House.

The Honourable Sir Muhammad Zafrullah Khan: I have already submitted that the Honourable Member has put down a question to that effect, and I shall give a reply in due course.

Mr. S. Satyamurti: Do Government refuse to answer that question this morning?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member may infer whatever he likes.

Mr. Presiednt (The Honourable Sir Abdur Rahim): There is a specific question put down by the Honourable Member which will come up later on. The Government are perfectly entitled to ask the Honourable Member to wait till that question is reached.

Mr. S. Satyamurti: So long as my present supplementary question is in order, what is the objection to answering it now?

Mr. President (The Honourable Sir Abdur Rahim): If there is a specific question on that subject which will come up later on, this supplementary question need not be answered now.

The Honourable Sir Muhammad Zafrullah Khan: That supplementary question does not arise out of this question.

Mr. S. Satyamurti: I submit it does.

Mr. President (The Honourable Sir Abdur Rahim): Any question relating to the notice of termination of the Agreement is a specific question, and it does not arise as a supplementary.

Mr. S. Satyamurti: Anyhow, Sir, I accept your decision. I am not pursuing that point, but I shall ask other supplementary questions. I asked in part (b) whether Government proposed to appoint an expert Committee, and the answer was "No". May I know the reasons why they do not propose to appoint an expert Committee to enquire into the whole question of making the best arrangements for Indian foreign trade?

The Honourable Sir Muhammad Zafrullah Khan: It is for the Honourable Member to make out a case for the appointment of an expert Committee; it is not for me to defend the non-appointment of a Committee.

Mr. S. Satyamurti: I am not now making out a case for the appointment of an expert Committee. I will take a suitable opportunity to do so. I am simply asking the reasons why Government have come to the conclusion that they will not appoint a Committee.

Mr. F. E. James: Why did you vote against the appointment of a Committee the other day?

Mr. S. Satyamurti: When did Mr. James become the Commerce Member?

The Honourable Sir Muhammad Zafrullah Khan: Government have not discovered reasons which necessitate the appointment of a Committee.

Mr. S. Satyamurti: Are Government satisfied with the present position of Indian foreign trade?

The Honourable Sir Muhammad Zafrullah Khan: Government are reviewing the position constantly.

EXAMINATION OF THE QUESTION OF INLAND AND COASTAL TRANSPORT IN INDIA.

1468. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they propose to examine the whole question of inland and coastal transport in this country, including railways, roads, waterways and coastal steamers;

(b) whether they propose to consider the whole question of carrying on transport so as to make public conveyance cheap, convenient, and comfortable for the people, as also to conserve the revenues of the State both at the centre and in the Provinces, and

(c) whether they will place the report of that committee before this House for its consideration?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). These questions are constantly under the consideration of Government.

(c) It is not understood to which Committee the question refers.

Mr. S. Satyamurti: I merely want to know whether Government propose to consider the whole question of transport, so as to make public conveyance cheap, convenient and comfortable for the people. I see there is a lacuna in that question. The committee referred to is the committee which I suggest to the Government to appoint to examine the whole question.

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member means that part (c) is dependent upon his suggestion, which somehow is not printed, that Government should appoint a committee to consider this as a whole, then I may say that different aspects of this question are being considered by committees, for instance there is the Central Transport Advisory Council. Government have no intention of appointing an expert Committee to consider the whole question, suggested by the Honourable Member.

RECONSIDERATION OF THE RAILWAY FREIGHT RATES.

1469. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they have examined the question that the railway freight rates in this country are such as to help the import of manufactured articles, and the export of raw materials; and

(b) whether they propose to reconsider the whole policy of freight rates with a view to placing the transport of indigenous products from place to place in the country more or less on the same basis as the import of manufactured articles from outside countries; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Government have not hitherto found any evidence to support the allegation in part (a) of the question, but the point was raised at a meeting of the Public Accounts Committee in August, 1935, and Government are having the question re-examined and will place before the Public Accounts Committee a full memorandum on the subject.

Mr. S. Satyamurti: Who is re-examining the whole question?

The Honourable Sir Muhammad Zafrullah Khan: Does the Honourable Member want to know which particular officer?

Mr. S. Satyamurti: The particular agency?

The Honourable Sir Muhammad Zafrullah Khan: The Board are examining the question.

PERSONNEL OF THE ARMY, NAVY AND AIR FORCE OF INDIA.

1470. *Mr. S. Satyamurti: Will Government be pleased to state:

(a) the number and rank of the non-British Indian personnel in the Army, Navy and Air Force of India;

(b) the number of British Indians and Asians in that personnel; and

(c) the reasons for recruiting non-British Indian personnel?

Mr. G. R. F. Tottenham: (a) and (b). I lay a statement on the table.

(c) The principle which governs recruiting is and always has been efficiency.

Statement.

	Royal Indian Navy.	British Army.	Indian Army.	Royal Air Force.	Indian Air Force.
Indians (British or State subjects).	986	12,285	1,52,000	..	507 (including 9 officers).
Persons other than Indians (excluding Asiatics).	126	52,851	9,681	2,079	28
Asiatics other than Indians .	115	..	17,300	..	5

Mr. S. Satyamurti: May I know whether Government are satisfied that efficiency cannot be secured by confining the recruitment to the Indian personnel on the one hand, and the British personnel on the other, so long as they want the British element in this country?

Mr. G. R. F. Tottenham: They are satisfied that the present system of recruitment secures the maximum efficiency.

Mr. S. Satyamurti: Have Government examined the alternative of confining it to Indians alone, so far as the non-British element is concerned?

Mr. G. R. F. Tottenham: They have found no necessity to examine that alternative.

Mr. S. Satyamurti: Have Government considered the desirability of confining recruitment for the defence of the country to the inhabitants of that country, and, for the time being, as we cannot help it, to the inhabitants of the country which rules that country?

Mr. G. R. F. Tottenham: They have not considered that question specifically.

Mr. S. Satyamurti: Will Government consider that question?

Mr. G. R. F. Tottenham: No, Sir.

Mr. S. Satyamurti: Why not, Sir?

Mr. G. R. F. Tottenham: Because they consider the present arrangements are the best.

COST OF MAINTENANCE OF THE INDIAN ARMY.

1471. *Mr. S. Satyamurti: Will Government be pleased to state:

(a) whether the Indian Army is part of the Imperial Defence Forces or not;

(b) whether the Indian Army is at the disposal of His Majesty's Government; and

(c) whether they have ever made or propose to make any representations to His Majesty's Government to share the cost of maintaining the Indian Army, in so far as it is maintained for the Imperial Defence purposes?

Mr. G. R. F. Tottenham: (a) The position is fully explained in the report of the Capitation Tribunal, a copy of which is in the Library of the House.

(b) No.

(c) The matter must be regarded as settled by the award of the Tribunal I have just referred to.

Mr. S. Satyamurti: With reference to part (b), may I know whether the Indian Government can tell at any time to His Majesty's Government when it is asked to give help to the Empire, "No, we cannot"?

Mr. G. R. F. Tottenham: The Indian army is not at the beck and call of His Majesty's Government. If the Government of India agree to lend the Indian army for the purposes of His Majesty's Government, it can be so lent.

Mr. S. Satyamurti: May I know if the total strength of the British army is not decided, by taking into account the strength of the British personnel maintained in India?

Mr. G. R. F. Tottenham: The total strength no doubt includes that part of the army that serves in India and that part which serves in other stations overseas.

Mr. S. Satyamurti: May I know whether the British part of it is or is not at the disposal of His Majesty's Government?

Mr. G. R. F. Tottenham: No, Sir, it is subject to the same rule as the rest of the army in India, that is to say, it is at the disposal primarily of the Government of India, but if circumstances render it possible to spare any portion of the army in India, either British or Indian, for what Honourable Members on the opposite side are pleased to call imperial purposes, that may be done with the consent of the Government of India.

Qazi Muhammad Ahmad Kazmi: Is it in the power of the Government of India to refuse sending the British part of the army to the help of His Majesty's Government?

Mr. G. R. F. Tottenham: Certainly, it is within their power.

Mr. S. Satyamurti: With reference to part (c), may I know whether the Government of India accept the position that the findings of the Capitation Tribunal are the last word on the matter, and that they do not propose to pursue the matter any further?

Mr. G. R. F. Tottenham: They certainly are the last word on the matter for the present anyhow.

GOVERNMENT'S DEALINGS WITH FRONTIER TRIBES.

1472. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether in dealing with frontier tribes, they deal with any particular person or persons on their behalf;

(b) whether, to the tribes as a whole, or to individual tribes, they have ever made any peace proposals consistent with the freedom and safety of the frontier and of their land; and

(c) what the results of the proposals have been?

Sir Aubrey Metcalfe: (a) The established practice, which is based on tribal custom, is to deal with each tribe or tribal section concerned in open *jirga*. The tribal *jirga* consists of all the Pathan landowners, who by tribal customs have a share in the profit and loss account of the tribe, and includes the tribal Maliks and the younger men of the tribe.

(b) Signed agreements have been entered into with all Frontier tribes who are in political relations with the Government of India. Separate agreements have been made with individual tribes. The aim and object of all such agreements is the maintenance of peaceful and friendly relations between Government and the tribe or tribes who enter into the agreement.

(c) The results of such agreements when properly observed by the tribes which have entered into them have been to secure the peace of the border.

Mr. M. S. Aney: With how many tribes have Government made agreements?

Sir Aubrey Metcalfe: They have agreements with nearly all the tribes. If the Honourable Member wishes for further information, he can obtain the same from the copies of Aitchison's Treaties which are in the Library of the House.

Mr. S. Satyamurti: With reference to part (b), will the Honourable Member say whether these agreements, to which he refers, have been entered into consistent with the freedom and safety of the Frontier tribes and their lands?

Sir Aubrey Metcalfe: I should say, certainly yes.

Mr. S. Satyamurti: May I know what is the percentage of tribes with whom Government have not entered into such agreements yet?

Sir Aubrey Metcalfe: I want notice. Percentages are difficult things to deal with.

Mr. S. Satyamurti: With regard to those tribes with whom the Government have entered into agreements, have Government found in the working of those agreements that, on the whole, they are observed honourably on both sides?

Sir Aubrey Metcalfe: Yes, on the whole certainly.

Mr. S. Satyamurti: Will Government pursue this policy of consistently entering into agreements with the tribes, so as ultimately to bring peace to the Frontier and to reduce expenditure and harassment on both sides?

Sir Aubrey Metcalfe: We have always adopted this policy, and we have no intention of doing otherwise.

COST OF INDIAN DEFENCE FORCES AND PEACEFUL SETTLEMENT WITH FRONTIER TRIBES.

1473. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) what the total cost of Indian Defence Forces which may rightly be debited to the Frontier situation is; and

(b) whether they have ever considered spending that money in other directions, in order to come to a peaceful settlement with the tribes, if not, why not?

Sir Aubrey Metcalfe: (a) It is impossible to estimate, with a degree of accuracy that would have any practical value, what proportion of the cost of Indian Defence is undertaken in order to meet the danger of tribal depredations. The Honourable Member will, however, find some indication of the proportion of the Defence Forces whose main duty is to defend the Frontier in Chapter II of the Pamphlet entitled "Some facts and figures about Indian Defence".

(b) Every effort within the resources of India is being made to develop the tribal areas by negotiation and consent and a fund was recently set up for this purpose, but the tribesmen are heavily armed and recent experience has proved that expenditure on Defence cannot be relaxed without danger of depredations in the Administered Districts of British India. It must also be realised that expenditure on services in the tribal areas is limited by the fact that except in small areas, the tribesmen pay no revenue or taxes.

Mr. S. Satyamurti: Have Government considered or will Government consider the question that finding some alternative means of livelihood for these tribes may reduce the number or the intensity or both of these depredations on British Indian territory? And have they considered, or will they consider providing some occupation for them?

Sir Aubrey Metcalfe: Certainly; the policy which the Honourable Member suggests has formed the subject of anxious consideration by the Government of India, and it is largely for purposes of that sort that the fund to which I have referred in my answer was set up.

Mr. S. Satyamurti: May I know how much money has been spent in these directions so far, and how much they propose to spend next year?

Sir Aubrey Metcalfe: I could not give the Honourable Member the exact figures. I shall have to ask for notice.

Mr. S. Satyamurti: Will Government explore the possibility of increasing this expenditure, with a view to reducing military expenditure?

Sir Aubrey Metcalfe: Certainly, that is their object. They wish to reduce military expenditure, and for that reason they are trying to spend money upon what may be called more humanitarian services.

BAN ON CONGRESS ORGANISATIONS, ETC.

1474. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) the number of Congress and other organisations which are still banned by them and the reasons thereof;

(b) the names of organisations which have been banned either by the Government of India or by the Local Governments during the last four years;

(c) the number and names of books or pamphlets which are now banned entry into this country;

(d) the Acts or Ordinances under which literature can be seized, confiscated or interfered with by Government;

(e) the number of civil disobedience prisoners still in jail;

(f) the number of men and women still detained without trial in India; and

(g) the number and names of prisoners externed or interned, out of or in British India?

The Honourable Sir Henry Craik: (a) and (b). I would refer the Honourable Member to the statement I laid on the table in connection with the answer given by me on the 14th February, 1935, to Mr. Mohan Lal Saksena's questions Nos. 272 and 273. I am making enquiries regarding the number of organisations still under the ban and will lay the information on the table in due course.

(c) 110, including 19 cases in which all publications emanating from certain particular sources are banned. I am not prepared to lay a list of the banned publications on the table.

(d) I would refer the Honourable Member to—

(i) the provisions relating to the seizure of certain documents in sections 19 to 22 of the Indian Press (Emergency Powers) Act, 1931, as amended by the Criminal Law Amendment Act, 1932,

(ii) sections 25 to 27D of the Indian Post Office Act, 1898,

(iii) section 99A of the Criminal Procedure Code, and

(iv) sections 19 and 181A of the Sea Customs Act, 1878.

(e) Five.

(f) There are 75 persons detained as State Prisoners of whom 28 are in jail, the rest are at large. There are no women among them.

(g) So far as prisoners interned in British India are concerned under the orders of the Government of India I would refer the Honourable Member to the answer given to part (f) above. There are no prisoners externed from British India under the orders of the Government of India.

Mr. S. Satyamurti: With reference to the answer to clauses (a) and (b), may I know if the Honourable Member is in a position to say that the ban has not been removed on any Congress organisation since that answer?

The Honourable Sir Henry Craik: I did not say that. I said I am making inquiries regarding the number of organisations still under the ban, and will supply the information when received.

Mr. S. Satyamurti: May I know who is the authority, or who are the authorities, which decide the books or the pamphlets which are to be banned entry into this country?

The Honourable Sir Henry Craik: That depends on what machinery is used. The Local Governments can proscribe under the Code of Criminal Procedure. I am not sure whether they have power to pass an order under the Sea Customs Act; I think an order under that Act has to be passed by the Government of India. Local Governments have power to proscribe and have, of course, power to use the sections of the Post Office Act.

Mr. S. Satyamurti: I think the Honourable Member said that he was not prepared to lay a list of banned publications, but he did not say anything about the sources from which *all* publications are banned. May I know what those sources are?

The Honourable Sir Henry Craik: Yes, there are 19 cases in which all publications emanating from certain particular sources are banned. I cannot say off-hand what they are, but they are mostly Communist organisations abroad or possibly revolutionary organisations in other countries.

Mr. S. Satyamurti: With reference to clause (g), may I take it that the Honourable Member's answer does not contain any reference to the detenus in Bengal?

The Honourable Sir Henry Craik: Yes, that is right.

Mr. Sri Prakasa: In view of the fact that the Hindustani Seva Dal continues to be a banned organisation in the United Provinces, have Government discovered that wonderful air-gun with which rifle shooting was practised and because of which the Association was banned; and, if so, what has happened to that air-gun?

The Honourable Sir Henry Craik: That does not seem to me to arise out of my answer.

Mr. Sri Prakasa: I submit that it does arise, because the Hindustani Seva Dal is an organisation that is banned in the United Provinces and the reason given here was . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot be expected to answer questions regarding every association which has been banned. That has not been asked.

Mr. Sri Prakasa: I am asking a question on the statement of the Honourable Member himself.

Mr. President (The Honourable Sir Abdur Rahim): As regards any special organisation, a question ought to be specifically put down.

EXAMINATION OF THE QUESTION OF UNIVERSITY EDUCATION FROM AN ALL-INDIA POINT OF VIEW.

1475. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they have examined or propose to examine the question of University education in the country from an All-India point of view;

(b) whether they have come to any conclusion as to the alleged need for restricting the number of Universities; and

(c) if so, what those conclusions are, and the reasons therefor?

Sir Girja Shankar Bajpai: (a) and (b). No.

(c) Does not arise.

Mr. S. Satyamurti: Has the Honourable Member's attention been drawn to the statement made, I think, by the Educational Commissioner to the Government of India and published in all the newspapers, that the time has come when there should be a restriction placed on the number of graduates coming out of the universities?

Sir Girja Shankar Bajpai: No, Sir. I am not aware of any such statement made by the Educational Commissioner with the Government of India.

Mr. S. Satyamurti: Are Government at all considering this question of reviewing university education in the country now or in the near future?

Sir Girja Shankar Bajpai: No, Sir, the only question which Government have considered and which they are considering now is the question of the reconstruction of secondary, that is to say school education.

Mr. S. Satyamurti: May I take it, therefore, that Government are not considering the question of restricting the activities of universities in this country, in any manner?

Sir Girja Shankar Bajpai: Certainly not at present.

USE OF INDIAN MATERIALS IN THE RE-BUILDING OF QUETTA.

1476. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): Will Government state:

(a) with reference to their answer to starred question No. 1201 of this Session, whether in re-building Quetta Indian materials will be used wherever available;

(b) whether the use of Indian materials, such as Indian cement, which are available in India, will be made a condition precedent to the giving of the contracts;

(c) what principles they propose to observe in giving contracts; and

(d) who is the officer in charge of rebuilding Quetta?

Sir Aubrey Metcalfe: (a) Yes, unless the price is unduly high.

(b) No.

(c) The Honourable Member is referred to the reply to part (e) of starred question No. 1201.

(d) Commander, Royal Engineers, Quetta Reconstruction.

Mr. S. Satyamurti: With reference to the answer to clause (a), may I know if Government will accept in this case what they have done in many other cases, namely, a price preference policy, as railways and other departments have done, namely, giving preference to Indian made articles, in the re-building of the station?

Sir Aubrey Metcalfe: I have no doubt that it will be considered.

Mr. S. Satyamurti: With reference to clause (b) of the question, may I know why Government are not agreeable to make it a condition precedent to the giving of contracts that articles such as Indian cement, whose quality has been proved beyond all doubt, should be used?

Sir Aubrey Metcalfe: I imagine it is because they feel that economy and efficiency must be the first principles. As a matter of fact, I understand that contracts are likely to be given to the Indian Cement Company, but it would obviously be unwise to make a decision of that sort before the tenders have been received.

Mr. S. Satyamurti: Will Government consider the question of giving suitable and reasonable preference to Indian articles as far as possible in every case, unless it is clearly ruled out, in the re-building of this station?

Sir Aubrey Metcalfe: That is a large question of policy which I can hardly be expected to answer in reply to a supplementary question. I have no doubt that due consideration will be given to all relevant matters.

Pandit Nilakantha Das: Who is the authority to purchase? Is it the Stores Department?

Sir Aubrey Metcalfe: Primarily, the Commander, Royal Engineers, Quetta Reconstruction, will accept the tenders, but I understand that no final contract can be fixed up without reference to the relevant Department of the Government of India.

Sir Cowasji Jehangir: If the authority which has the power at present to settle these contracts come to the conclusion that foreign materials should be used, will it be instructed that the Government of India should first be consulted before a contract involving the purchase of foreign materials is entered into?

Sir Aubrey Metcalfe: The question is to some extent hypothetical, but I understand that the Government of India will be consulted before any final contracts are given.

Pandit Nilakantha Das: May I take it as the answer to my question that the Indian Stores Department will ultimately make the purchases?

Sir Aubrey Metcalfe: I must have notice of that question: I do not know what the Honourable Member is referring to about purchases.

UNSTARRED QUESTIONS AND ANSWERS.

INCREASE IN WORKING EXPENSES ON THE EAST INDIAN RAILWAY.

452. **Dr. N. B. Khare:** With reference to the reply to unstarred question No. 43, given on the 4th February, 1936, asking for the period to which the increase in working expenses on the East Indian Railway referred, will Government now please state the reasons for the increase up "to the end of May 1935-1936" as against up "to end of May 1934-1935"?

Mr. P. R. Rau: The increase referred to is due to the fact that emergency deductions from pay were being made during 1934-35, but ceased from April, 1935.

LIBRARIES AND INSTITUTES SUBSIDISED BY STATE RAILWAYS.

453. **Dr. P. N. Banerjea:** Will Government be pleased to lay on the table a statement showing the names, location, membership, size of the library, the qualifications of the librarians, of the various libraries aided by the State Railways, together with the amount of grant-in-aid provided by the Railways to both Indian and European Institutes during the last year?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

RUNNING OF A RAIL PETROL MOTOR SERVICE ON THE METRE GAUGE SECTION OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY

454. **Mr. V. V. Giri:** (a) Will Government please state whether the Madras and Southern Mahratta Railway is arranging to run a rail-petrol-motor service on their metre gauge section to compete with the road bus traffic and if so what is the capital outlay on such a proposal?

(b) With whom have they placed the order for the petrol engines, and what is their number and cost per engine?

(c) Where does the Madras and Southern Mahratta Railway propose to build the chassises and bodies?

(d) Is it a fact that the Railway has proposed to give away on contract to a private motor-bus body building firm in Madras, the work of building bodies for the Railway's proposed petrol-rail-buses, and that they have highly equipped, up to date Carriage and Loco. Workshops at Perambur?

(e) Is it not a fact that the Railway saw mills, carriage-building shops, remodelled at a huge cost, are not turning out their maximum out-put and are not yielding a fair return of interest on the capital outlay of machines and other equipments?

(f) Is it not a fact that these shops are working short time on Saturdays for the last five years?

(g) Is it not a fact that there was compulsory retrenchment of men in 1931, under plea of less work and surplus men in the saw-mill shop at Perambur?

(h) Is it not a fact that the strength of the Perambur Shops has been considerably reduced during the last five years and that they are alleged to carry surplus staff?

(i) Why has the Railway decided to give on contract to an outside motor firm the work of building bodies for petrol-rail-buses for the railway?

(j) Are the workshops not able to manufacture these bodies at less cost than charged by an outside firm?

(k) Is it not also a fact that the Foundry Shop in the Madras and Southern Mahratta Railway, Perambur workshops, is an up to date foundry remodelled at a very large cost?

(l) Is it not also a fact that this shop is also working short-time and losing interest on capital invested?

(m) Is it not a fact that cast-iron pot sleepers can be manufactured in these shops in large quantities and are given away on contract to outside engineering firms?

The Honourable Sir Muhammad Zafrullah Khan: The information has been called for and will be laid on the table of the House on receipt.

RUNNING OF A MAIL TRAIN BETWEEN RAIPUR AND VIZIANAGRAM ON THE BENGAL NAGPUR RAILWAY.

455. **Mr. Ghanshiam Singh Gupta:** (a) Are Government aware that much inconvenience is caused to the public owing to the fact that there is no mail train running between Raipur and Vizianagram on the Bengal Nagpur Railway?

(b) Are Government prepared to consider the advisability of advising the Railway authorities to run a mail train in that section?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b) The Agent, Bengal Nagpur Railway, states that statistics of traffic and previous experience with through trains, between Raipur and Vizianagram, do not justify a mail train over this section. Moreover, a through fast service is not practicable as the maximum permissible speed between Raipur and Parvatipuram is 30 miles per hour.

RUNNING OF AN EXPRESS TRAIN FROM OR VIA RAIPUR, BENGAL NAGPUR RAILWAY, TO DELHI, VIA KATNI AND NAINI.

456. **Mr. Ghanshiam Singh Gupta:** Is there a proposal to run an express train from or *via* Raipur (Bengal Nagpur Railway) to Delhi *via* Katni and Naini?

The Honourable Sir Muhammad Zafrullah Khan: No.

NOTE OF THE JUDGES REGARDING THE METHOD EMPLOYED IN EXAMINING THE CASES OF BENGAL DETENUS.

457. **Mr. Ghanshiam Singh Gupta:** Will Government be pleased to lay on the table the note of the Judges (regarding the method employed in examining the cases of Bengal detenus) referred to by the Honourable the Home Member in his speech in the Assembly on the 12th March, 1936, on the cut motion of Mr. Aney?

The Honourable Sir Henry Craik: The document is confidential and I regret therefore that I am not able to lay a copy on the table.

GRIEVANCES OF GUARDS IN THE CALCUTTA DISTRICT OF THE EASTERN BENGAL RAILWAY.

458. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact:

(i) that the Eastern Bengal Railway are working short-handed in the matter of guards in the Calcutta District;

(ii) that applications for leave from these guards are invariably refused;

(iii) that demi-official letters have been issued to the District Medical Officer to refuse, except in very urgent cases, to place the guards on the sick list;

(iv) that guards who are really ill but not seriously have to seek outside medical aid at their own cost; and

(v) that the guards so treated medically by registered doctors have been penalised by the refusal to grant them leave on average pay *plus* mileage?

(b) If the answers to part (a), (i) to (v) be in the affirmative, will Government please state with what object these restrictions have been imposed?

(c) Do Government propose to take any action in the matter? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a), (i) to (iv). No.

(v) No, provided the rules governing the submission of medical certificates are complied with.

(b) Does not arise.

(c) No action is called for.

MARSHALLING OF UPPER CLASS CARRIAGES ON THE MAIL, EXPRESS AND PASSENGER TRAINS ON THE EASTERN BENGAL RAILWAY.

459. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact:

(i) that the rules on the Eastern Bengal Railway regarding the marshalling of upper class carriages on the mail, express, and passenger trains require that these carriages must be placed in the centre of the train;

(ii) that intermediate class carriages are placed on either side of the upper class carriages; and

(iii) that the primary reason for this arrangement is that intending passengers by these classes at roadside stations may know where to wait so as to entrain with the least discomfort?

(b) Are Government aware that luggage vans are marshalled between carriages intended for passengers, resulting in passenger carriages standing off the platform at roadside as well as at Sealdah station?

(c) If the answer to parts (a) and (b) be in the affirmative, will Government please state:

(i) whether any non-gazetted staff is responsible for the marshalling of trains; if so, what staff;

(ii) whether any non-gazetted staff is responsible for the supervision of the trains before they leave Sealdah; if so, which official; and

(iii) whether any gazetted officer is responsible for seeing to the correct marshalling of trains, if so, who?

(d) Do Government propose to take action in the matter with a view to securing better comforts for the travelling public? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a), (i) and (ii) Except in the case of through service carriages, carriages which are attached or have to be detached at intermediate stations and carriages utilised in an emergency to increase the accommodation on trains, upper class carriages are normally marshalled in the centre of the train and intermediate class carriages are normally adjacent to upper class carriages.

(iii) No.

(b) Government are informed that this is not so, but at stations at which there is not a full length platform some passenger carriages attached as explained in the reply to part (a) above may be off the platform.

(c), (i) to (iii). The responsibility or seeing that trains are marshalled in accordance with the orders issued rests with the Station Superintendents in the case of Sealdah and with the Station Master at other stations.

(d) The programme for lengthening platforms has had to be curtailed for want of funds.

INCONVENIENCE FELT BY PASSENGERS OVER THE EASTERN BENGAL RAILWAY AT SEALDAH STATION TRAVELLING BY THE 5-UP TRAIN.

460. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that considerable inconvenience is felt by the travelling public over the Eastern Bengal Railway at Sealdah station by 5-Up train which leaves at 7-06 hours due to the platform being washed at that time of the morning?

(b) Is it also a fact that a complaint to this effect has been made to the Agent but without any satisfactory result so far?

(c) Are Government aware that the East Indian Railway authorities at Howrah Station have the platforms washed before the first train arrives or leaves Howrah? If so, why?

(d) If the answer to parts (a) to (c) be in the affirmative, will Government please state whether the management of Sealdah station is in the care of a petty employee? If not, what action do Government propose to take against the staff responsible?

The Honourable Sir Muhammad Zafrullah Khan: (a) The Agent of the Eastern Bengal Railway states that the platform from which 5 Up Mail starts is swept half an hour before the departure time of the train and is washed after the train has left.

(b) No complaint appears to have been made to the Agent.

(c) Government have no information.

(d) Sealdah station is in the charge of a senior official who is designated Station Superintendent.

HARASSMENT OF THE TRAVELLING PUBLIC BY THE SPECIAL INSPECTORS AT SEALDAH ON THE EASTERN BENGAL RAILWAY.

461. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that the Eastern Bengal Railway have appointed a number of Special Inspectors who are under the direct orders and the supervision of the Traffic Manager but whose duties consist of seeing that passengers do not travel without tickets, that excess luggage is not carried by passengers, and other duties in connection with the travelling public and merchants?

(b) Are Government aware that these Special Inspectors start their duties not before the trains leave Sealdah Station but *en route*, thus putting passengers ex-Calcutta to considerable inconvenience and annoyance?

(c) If the answer to parts (a) and (b) be in the affirmative, do Government propose to take such action that will lead to the interests of the Railway Administration being safeguarded and the travelling public being saved unnecessary harassment by the Special Inspectors?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed as follows:

(a) Yes.

(b) There are no orders or instructions which prevent their making any check they like at Sealdah Station.

(c) Does not arise.

TERMINATION OF THE SERVICES OF NON-GAZETTED STAFF ON STATE-MANAGED RAILWAYS.

462. **Mr. Amarendra Nath Chattopadhyaya:** Will Government please state whether there is any rule in the State Railways Open Line Code, or other extent codes or manuals, which requires that the reasons for the termination of the services of non-gazetted staff on State-managed Railways as stated in the letters of discharge must also be shown in the service certificate?

The Honourable Sir Muhammad Zafrullah Khan: The reply is in the negative.

I would, however, refer the Honourable Member to paragraph 301 of the State Railway Open Line Code, Volume II, regarding the grant of certificates to subordinate staff, a copy of which will be found in the Library of the House.

RULES FOR THE RECRUITMENT AND TRAINING OF THE NON-GAZETTED STAFF ON STATE RAILWAYS.

463. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that the Railway Board have framed rules for the recruitment and training of the non-gazetted staff on State-managed Railways? If so, when were these rules forwarded to the Agent of the Eastern Bengal Railway?

(b) Is the application of these rules obligatory, discretionary, or to be applied in certain cases only?

(c) Do these rules provide for the channels of promotion?

The Honourable Sir Muhammad Zafrullah Khan: (a) The reply to the first part of the question is in the affirmative. As regards the latter part, the rules were forwarded to the Agent, Eastern Bengal Railway, on the 20th May, 1931.

(b) The rules are obligatory but permit of certain exceptions and variations.

(c) Yes, but the channel of promotion for each Railway is not necessarily precisely that laid down in the rules.

DISCONTENT PREVAILING AMONGST THE NON-GAZETTED STAFF OF THE ACCOUNTS DEPARTMENT OF THE EAST INDIAN RAILWAY OVER THE SYSTEM OF HOLDING THE APPENDIX D EXAMINATION.

464. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that considerable discontent prevails amongst the non-gazetted staff of the Accounts Department of the East Indian Railway at the manner in which the Appendix D examination is conducted?

(b) Is it further a fact that the passing marks of 66 per cent. in the special papers and 50 per cent. in the others are placed at a higher level than that in any of the other subordinate accounts service examination and also of the recruitment examinations for All-India gazetted services conducted by the Public Service Commission?

(c) Will Government please lay a statement on the table of this House showing the passing marks for the Subordinate Accounts, the Subordinate Railway Accounts, the Subordinate Railway Audit, and other examinations, both for gazetted and non-gazetted staff?

(d) What is the idea underlying the fixation of this high percentage for this particular examination?

(e) Do Government propose to fix the percentage at 50 per cent. for the special papers and at 40 per cent. for the other papers, *i.e.*, at the same level as that prevails in the Subordinate Audit examination? If not, why not?

(f) Do Government propose to declare all examinees who have obtained 50 per cent. and 40 per cent. in the Appendix D examinations, since its introduction in 1930, as having passed this examination in the years in which they obtained those percentages and over? If not, why not?

(g) Is it a fact that members of a particular community are particularly successful in this examination, and that the only three that have been declared as having passed the last examination from the East Indian Railway belong to that community?

(h) Have representations been made by the non-gazetted staff of the Accounts Department of the East Indian Railway suggesting that Appendix D examinations should be run on the same lines as the University examination, *i.e.*, all the papers should be examined by a Board of Examiners? If so, what action has been taken?

Mr. P. R. Rau: (a) No, so far as Government are aware.

(b) to (f). The attention of the Honourable Member is invited to the replies given to questions Nos. 580 and 581 on the 12th March, 1930, and 3rd April, 1934.

(g) The answer is in the negative.

(h) The representations referred to were carefully considered by Government who saw no reason to make any change in the present procedure.

REST ROOMS AT THE HOWRAH STATION BUILDINGS FOR THE USE OF GAZETTED OFFICERS AND THEIR FAMILIES.

465. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that the East Indian Railway have provided Rest Rooms at Howrah Station buildings for the use of their gazetted officers and their families?

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

(i) how many rooms have been provided;

(ii) the total cost of the fittings;

(iii) whether kitchens are attached; if so, how many;

(iv) whether cooks are employed by the Railway Administration; if so, how many and what is the amount spent on wages;

(v) whether bearers are employed, if so, how many and on what pay each;

(vi) whether food will also be supplied by the Railway Administration;

(vii) whether the charge has been fixed at annas twelve per room per day; and

(viii) whether the gazetted officers are permitted the use of their inspection carriages at Howrah?

(c) Will Government please state whether similar facilities have been provided for the non-gazetted staff at Howrah Station? If not, what are the reasons for this discriminatory treatment?

(d) Do Government propose to extend the same facilities to the non-gazetted staff?

(e) Is it a fact that accommodation is available in the south concourse over the Intermediate class Booking Office?

(f) Was the previous sanction of the Railway Board obtained for the provision of such facilities for the gazetted staff and their families when visiting Calcutta? If not, why not?

(g) Has it raised the working expenses? What check is exercised by the Railway Board on working expenses?

The Honourable Sir Muhammad Zafrullah Khan: Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

WELFARE COMMITTEE TO SECURE AMENITIES FOR THE RAILWAY STAFF HOUSED IN THEIR QUARTERS AT DOBSON ROAD, HOWRAH.

466. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that the East Indian Railway have provided a Welfare Committee to secure amenities for their staff housed in their quarters at Dobson Road, Howrah? If so, is this Welfare Committee authorised to levy tolls on vendors, sublet the out-offices attached to the quarters to outsiders, etc.?

(b) Is it further a fact that vendors are not permitted to enter unless they obtain the permission of the Secretary or the Vice-President of this Committee?

(c) Do Government propose to take such action that will enable the vendors to enter unhindered and that those who are not the servants of the residents are not permitted to occupy at rental the out-offices? If not, why not?

(d) Are Government aware that several cases of small-pox occurred in their quarters at Dobson Road and that the infection was brought in by these outsiders who are living in the out-offices?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed as follows:

(a) In the interests of the staff housed in flats in a special compound called Tindal Bagan, the East Indian Railway have authorised them to set up a Welfare Committee of their own to cater for the general needs and requirements of the occupants of the flats. The reply to the latter part of the question is in the negative.

(b) To prevent thefts in these quarters, which had become very numerous, the Committee had to regulate the entry of unauthorised persons and vendors inside the railway compound in which these quarters are situated.

(c) Government do not propose to give vendors free access at all hours of the day and night as thieves and unscrupulous persons can come in as vendors and rob the occupants when they are away on duty. No railway servant can sublet railway quarters to outsiders and if any case is brought to notice, disciplinary measures are and will be taken against the staff at fault.

(d) The reply to the first part of the question is in the affirmative. As regards the latter part, Government have no information.

CABINETS OF ROSS PATENT TICKET CASES PURCHASED FOR USE AT THE HOWRAH BOOKING OFFICES.

467. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact:

(i) that the East Indian Railway have purchased thirteen cabinets of Ross Patent Ticket Cases for use at Howrah Booking Offices;

(ii) that the cost of each cabinet is Rs. 150 and for each tube Rs. 5; and

(iii) that the cabinets have not been put into use since the date of receipt; if so, why?

(b) Will Government please state:

(i) how many tubes have been purchased;

(ii) the total cost of the cabinets, tubes and any other charges;

(iii) whether the present booking offices have to be altered; if so, what is the estimated cost;

(iv) what is the object of the purchase of these cabinets;

(v) the urgency of this purchase at this time of financial stringency; and

(vi) whether the Ross Patent Ticket Case will be used at all in City Booking Offices and Booking Offices at out-stations; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: The information has been called for and will be laid on the table of the House on receipt.

INTRODUCTION OF ROSS PATENT TICKET CABINETS ON THE EASTERN BENGAL RAILWAY.

468. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that the Ross Patent Ticket Cabinets have been introduced on the Eastern Bengal Railway? If so, will Government please state:

(i) the number of cabinets and tubes that have been purchased and the cost of the same;

(ii) whether these cabinets are only in use on the north station at Sealdah;

(iii) whether there are any other ticket cabinets in use on the north station; and

(iv) the reasons why the Ross Patent Ticket Cabinets have not been introduced in the main and south stations at Sealdah?

(b) Is it a fact that the booking staff have complained that fast booking cannot be done on the Ross Patent Ticket Cabinets, as the ticket tubes are filled by the stock clerks and that the booking clerks have to check the number of each ticket before issue?

(c) Is it further a fact that certain defects in these cabinets were pointed out to the Traffic and Accounts Department staff? If so, with what results?

The Honourable Sir Muhammad Zafrullah Khan: The information has been called for and will be laid on the table of the House on receipt.

HOURS OF DUTY OF THE STATION SUPERINTENDENT, THE DEPUTY STATION SUPERINTENDENT, THE ASSISTANT STATION MASTERS AND THE ASSISTANT BOOKING CLERKS AT THE HOWRAH STATION, EAST INDIAN RAILWAY.

469. **Mr. Amarendra Nath Chattopadhyaya:** (a) Will Government please state the hours of duty of the Station Superintendent, the Deputy Station Superintendent, the Assistant Station Masters and the assistant booking clerks at Howrah Station, East Indian Railway?

(b) Is it a fact that with a view to effect a saving in the number of assistant booking clerks it has been decided to extend their hours of duty to nine hours per day?

(c) If the answer to part (b) be in the affirmative, will Government please state:

(i) whether after the completion of nine hours of booking duties the clerk has then to take down the closing numbers of all the tickets in the cabinet in the Cash Settlement Register, prepare the accounts, tally same with the cash and then make over the amount to the cash clerk who is required to sound all the coins with a view to rejecting base coins;

(ii) whether only one cash clerk attends to all the booking offices after completion of a turn of duty;

(iii) whether the average time taken before a booking clerk can get off duty is between one and a half to two hours after booking work stops; and

(iv) the number of booking staff that get off at the same time in a turn of duty?

(c) Do Government propose to treat the staff alike in the matter of hours of duty? If not, why not?

(d) Is it a fact that the work of the Job Analysis staff is confined to the abolition of non-gazetted posts, extending their hours of duty, etc.? Is this staff responsible for the suggestion in this case?

(e) Is it also a fact that the Job Analysis Committee did not consist of a single person with practical experience in the duties of booking clerks?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed as follows:

(a) The Station Superintendent is a Supervisory Officer and does not work to any fixed roster of duty. He generally attends to office work between 8 and 12-30 hours and 2 and 5 P.M. but has in addition to do his inspections and attend to emergencies at all hours of the day and night.

	Hrs.		Hrs.
Deputy Station Superintendents	5	to	14
	14	to	22
Assistant Station Masters	5	to	14
	14	to	22-30
Male Booking Clerks	5	to	14
	14	to	23
Lady Booking Clerks	5	to	11
	11	to	17
	17	to	23

(b) It has been decided with a view to economy to re-arrange the duties of lady booking clerks. The exact duration of their duty hours is still under consideration and will be decided after a few experimental schemes have been tried out. Nine hours duties similar to those of other booking clerks are being tried for a few days as an experimental measure.

(c) (i). No definite decision has so far been arrived at in regard to the duty hours of lady booking clerks. In any case the work involved in accounting for cash after completion of duty will be given due consideration in fixing their hours of duty.

(ii) Yes.

(iii) No, the actual time taken varies and depends on the timings of the train for which booking is done at a particular window. It is seldom more than 45 minutes, and much less in some cases.

(iv) Fifteen lady booking clerks get off duty at a time normally.

(d) Duties depend on the nature of work performed. Employees with similar duties are treated alike as far as possible.

(e) No, the Job Analysis Officer explores all avenues of economy and suggests retrenchment where justified. The reply to the latter part is in the affirmative.

(f) The Job Analysis Officer, who deals with Transportation and Commercial matters, is an experienced Officer of the department and is assisted in his investigations by subordinate experts on the subjects under investigation.

REFUSAL OF LEAVE TO THE EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, INDUSTRIAL BRANCH.

470. **Pandit Sri Krishna Dutta Paliwal:** (a) Are Government aware that employees of the Government of India Press, Industrial Branch, are not allowed even a few days' leave due to them, by the Assistant Manager and Manager to attend to their urgent private affairs, on account of which a great discontent prevails amongst the Press employees?

(b) Will Government be pleased to state the number of cases in which leave has been disallowed or allowed with fine when the leave was due to the employees of the industrial branches?

(c) Does the same procedure prevail in the Government of India Press, Calcutta, Simla and Delhi?

The Honourable Sir Frank Noyce: (a) No.

(b) Government have not these particulars and do not propose to collect them as this would involve a large amount of time and labour, and it is open to any individual who considers that he has a grievance to make a representation in the ordinary way.

(c) Does not arise.

DISCONTENT AMONG THE "C" CLASS GUARDS OF THE JUBBULPORE DIVISION

471. **Dr. N. B. Khare:** Will Government please state the action taken by the Agent, Great Indian Peninsula Railway, on starred question No. 46, asked in this House on the 2nd February, 1933, regarding discontent among the "C" class guards of the Jubbulpore Division?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed that the Agent, Great Indian Peninsula Railway, made enquiries into the matter and came to the conclusion that no action was called for.

RACIAL DISCRIMINATION IN THE ISSUE OF PASSES TO THE TEACHING STAFF OF THE EAST INDIAN RAILWAY HIGH SCHOOLS.

472. **Dr. N. B. Khare:** With reference to the answer given to starred question No. 144, asked in this House on the 6th February, 1933 regarding racial discrimination in the issue of passes to the teaching staff of the East Indian Railway High Schools, will Government please state:

(a) the clause of the pass rules under Company-management which entitled the staff of Oakgrove School to first class passes; and

(b) whether conditions of service offered to staff, under Company-management retained by the State on change of management are applicable to the staff of Oakgrove School; if so, under what clause of the conditions of service, they can retain first class passes as personal?

The Honourable Sir Muhammad Zafrullah Khan: (a) There is no such clause in the rules. The decision that passes in certain cases may be considered as personal is purely administrative.

(b) The reply to the first part is in the affirmative. As regards the second part, I would refer the Honourable Member to the reply given by Mr. P. R. Rau to Mr. Maswood Ahmad's question No. 211 on the 30th August, 1933.

POPULATION OF EACH COMMUNITY IN THE AREAS SERVED BY CERTAIN RAILWAYS

473. **Dr. N. B. Khare:** Will Government please state the population of each community, by provinces with percentage, both domicile and non-domicile, respectively, in the areas served by:

(i) Burma Railways,

(ii) Eastern Bengal Railway,

(iii) East Indian Railway,

(iv) Great Indian Peninsula Railway; and

(v) North Western Railway?

The Honourable Sir Muhammad Zafrullah Khan: I would invite the Honourable Member's attention to Chapter V of Mr. Hassan's report on the 'Representation of Muslims and other minority communities in the subordinate railway services' which contains the information readily available with Government. A copy of the report is in the Library of the House. If the Honourable Member wants any further information I would refer him to the 'Census of India, 1931, Volume I—India Part II—Imperial Tables', a copy of which is also in the Library of the House.

†474.

SUB-HEADS IN THE TRAFFIC ACCOUNTS OFFICE OF THE EAST INDIAN RAILWAY.

475. **Dr. N. B. Khare:** Will Government please state the policy and procedure for the appointments of or for the promotion to the sanctioned strength of sub-heads in the Traffic Accounts Office of the East Indian Railway?

Mr. P. R. Rau: Under the Standing Orders which are in force at present no clerk is eligible for promotion as a sub-head on the East Indian Railway unless (a) either he has passed a specially prescribed departmental examination, or (b) being an *ex*-East Indian Railway Company's employee, is considered to be fully fit to discharge the duties of a sub-head. It has also been laid down that about one half of the vacancies in the grade of sub-heads should, at the discretion of the Chief Accounts Officer, be given to clerks who have passed the examination qualifying for promotion to the grade of Accountant.

SUB-HEADS IN THE TRAFFIC ACCOUNTS OFFICE OF THE EAST INDIAN RAILWAY

476. **Dr. N. B. Khare:** (a) Will Government please lay on the table a statement showing the posts of Sub-Heads in the Traffic Accounts office of the East Indian Railway held by the staff who have not passed the appendix "C" examination and by the staff, who have passed the appendix "C" examination, also the number of the staff, who passed the appendix "C" examination but were not appointed to the posts of sub heads held by unpassed staff along with the reasons for such discrimination?

† This question was withdrawn by the questioner.

(b) Why have the staff who after great labour and hardship passed the appendix "C" examination been deprived of the promotion?

Mr. P. R. Rau: (a) Total sanctioned strength for sub-heads in the Traffic Accounts Branch, East Indian Railway, is 19 and these posts are held as indicated below:

(i) By men who have passed the departmental examination	4
(ii) Others, out of whom 14 are *ex*-company men exempted from passing the departmental examinations	15
Total	19

There are nine clerks who have passed the Appendix "C" examination and are awaiting their chances of promotion as sub-heads along with other *ex*-company men who are exempt from the examination and are, therefore, also eligible for promotion as sub-heads.

(b) The Appendix 'C' men have not been deprived of promotions as the reply to part (a) will show.

APPENDIX 'D' EXAMINATION FOR CLERKS WHO HAVE PASSED THE EXAMINATION PRESCRIBED IN APPENDIX 'E'.

477. **Dr. N. B. Khare:** Has the attention of Government been invited to the Controller of Railway Accounts No. 102/C.R.A./E./35, dated the 19th August, 1935 reading:

"Subject: Appendix 'D' Examination."

"I am directed to state that it has been decided by the Financial Commissioner of Railways that the clerks who have passed the examination prescribed in appendix 'E' to the Financial Commissioner's memorandum 5565-F., dated the 31st July, 1929, should be required to pass the examination prescribed in appendix 'D' thereto at the latest in November, 1936 failing which they will be considered ineligible for further promotion as accountants even in an officiating capacity"?

If so, will Government please state:

(a) whether such limitations to pass prescribed examinations within limited space of period are also laid down in departments under the Government of India, Finance Department or under the Auditor General; if not, why this discrimination has currency under the Financial Commissioner;

(b) the circumstances under which no examination in appendix 'E' was held after June, 1930;

(c) the number of employees who are holding appointments as accountants and have not passed the appendix 'E' examination?

Mr. P. R. Rau: Government are aware of the orders referred to by the Honourable Member.

(a) Possibly not; but the Appendix 'E' examination was held under special circumstances, and was not analogous to the ordinary Departmental examinations.

(b) The Appendix 'E' examination was introduced only as a temporary measure for the Calcutta Training School men in order to meet the immediate requirements for accountants in the separated Railway Accounts Offices.

(c) Passing the Appendix 'E' examination is not a necessary qualification for being an accountant, and in the circumstances Government do not consider that any useful purpose will be served by collecting this information.

EXEMPTION OF THE EMPLOYEES OF THE OLD EAST INDIAN RAILWAY COMPANY FROM THE OPERATION OF THE REVISED RULES RELATING TO GRATUITY.

478. **Dr. N. B. Khare:** (a) With reference to the reply given in this House to starred question No. 882, on the 12th March, 1935, that all agreements entered into by Government, whether with the old East Indian Railway Company employees or with anybody else, are binding on Government, is it a fact that those employees of the Company who were given service by Government were governed by the Company's rules relating to gratuity, as they stood on the 31st December, 1924?

(b) If the answer to part (a) be in the affirmative, will Government please state whether it is open to the Agent, East Indian Railway, or the Railway Board to alter or amend the Company's Gratuity Rules after the 31st December, 1924? If so, under what rules?

(c) Have any rules been altered or amended or additional rules framed after the 31st December, 1924? If so, will Government please lay a statement on the table of this House, giving particulars in detail?

(d) Is it a fact that the Railway Board, on the recommendation of the Agent of the East Indian Railway, have deleted the word "*wholly*" under Note 1-B of clause 9 of the East Indian Railway Company Gratuity Rules, *vide* their No. 9287-F., dated the 26th January, 1935? If so, why?

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

(b) There is nothing to prevent Government relaxing the rules in favour of the employee.

(c) No substantive rule has been altered but interpretations which may have the effect of altering the previous practice have been given when necessary.

(d) The original note referred to was inserted in 1924 as a result of the interpretation of the rules given by the Railway Board at the time. The matter was reconsidered by the Railway Board in 1934-35 and they came to the conclusion that refusal of a gratuity to a person who was partly but not wholly dependent on a deceased railway employee was unduly hard. This new interpretation was given on a case referred to them by the East Indian Railway where the payment to a person not wholly dependent on the deceased had been made.

RENT CHARGED BY THE EAST INDIAN RAILWAY FOR REFRESHMENT ROOMS.

479. **Dr. N. B. Khare:** (a) Will Government please state whether rent is charged by the East Indian Railway for the various refreshment rooms on that railway?

(b) What is the basis on which rent is calculated?

(c) Is there any difference in the rates charged from Messrs. G. F. Kellner & Co. and to the Hindu and Muslim refreshment rooms? If so, what is the difference and why?

(d) Is it a fact that Messrs. G. F. Kellner & Co., pay a lump sum of Rs. 1,000, for all their refreshment rooms?

(e) What action do Government propose to take? If none, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) There is no uniform basis. Rent for accommodation is fixed after taking into consideration the local conditions, *i.e.*, the amount of catering to be done and possible profits thereon. The rent on electric equipment is recovered at 11 per cent. on capital cost in all cases and electric current is paid for at 3½ annas per unit.

(c), (d) and (e). The information is being obtained and a reply will be laid on the table in due course.

WATCH AND WARD DEPARTMENT ON THE EAST INDIAN RAILWAY.

480. **Dr. N. B. Khare:** (a) With reference to the reply given in this House to starred question No. 1443, on the 4th April, 1935, regarding the Watch and Ward Department on the East Indian Railway, will Government please state whether the Railway Board, after a careful consideration of the question, decided, *vide* their letter No. E. 34-E. C.-229, dated the 11th June, 1935,

(i) to abolish the posts of Superintendent and Assistant Superintendent; and

(ii) to retain one Deputy Superintendent and one Lower Gazetted Service Officer,

with effect from the 22nd August, 1935?

(b) Have the instructions referred to in part (a) been given effect to? If not, will Government please state:

(i) on what authority the Chief Accounts Officer has continued to pass the pay bills after the 22nd August, 1935.

(ii) whether the Agent has submitted representations to the Railway Board to alter their orders;

(iii) whether similar consideration has been shown by the Agent when posts in the non-gazetted grades have been abolished; and

(iv) whether all the gazetted posts in the Watch and Ward are held by European officers only;

(c) Is it a fact that the office of the Superintendent, Watch and Ward, has been removed from the Agency and placed in the rooms occupied by the Operating and Commercial Departments? If so, is it correct that the Watch and Ward are now under the control of the Chief Commercial Manager? If not, will Government please state the reasons for this departure from procedure in force on the other State-managed Railways?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

INTRODUCTION OF ELLIS PATENT LOCKS ON THE EAST INDIAN RAILWAY.

481. **Dr. N. B. Khare:** (a) Will Government please state:

(i) when the Ellis Patent Locks were introduced on the East Indian Railway; and

(ii) whether they were reported as a success?

(b) Is it a fact that the Ellis Patent Lock has recently been discontinued? If so, from which date?

(c) Is it also a fact that the "rivetting system" has been introduced in its place?

(d) Is it further a fact that the "rivetting system" was condemned by the East Indian Railway before the introduction of the Ellis Patent Lock?

(e) If the answers to parts (b) to (d) be in the affirmative, will Government please state why the changes have been made?

The Honourable Sir Muhammad Zafrullah Khan: (a), (i). The Ellis Patent Spring Wedge Lock was introduced on the East Indian Railway in June, 1922.

(b) The Ellis Patent lock has been discontinued on goods trains from 1st November, 1935, as an experimental measure, but is still in use on the Parcels Express trains.

(c) Yes.

(d) The "rivetting system" has never been condemned on the East Indian Railway, but under conditions prevailing in 1922 it was considered that a more efficient method of frustrating the efforts of running train thieves should be introduced.

(e) The "rivetting system" has been introduced experimentally as a measure of economy.

CONDITIONS OF PAY, SERVICE OR PROSPECTS OF THE MEN OF THE EAST INDIAN AND GREAT INDIAN PENINSULA RAILWAYS TAKEN OVER BY GOVERNMENT.

482. **Dr. N. B. Khare:** (a) Is it a fact that His Excellency the Viceroy, in an address to the Indian Railway Conference Association, stated that the men of the East Indian and Great Indian Peninsula Railways, who were being taken over by Government on account of the State-management of those Railways, need have no fears that the change will affect them adversely in the conditions of their pay, service or prospects?

(b) Is it also a fact that this assurance has been published by the Railway Board in the Report on Indian Railways for 1924-25?

Mr. P. R. Rau: (a) and (b). Yes.

INTRODUCTION OF SUBORDINATES FROM OTHER DEPARTMENTS OF GOVERNMENT TO THE ACCOUNTS DEPARTMENT OF THE EAST INDIAN RAILWAY.

483. **Dr. N. B. Khare:** (a) Will Government please state whether there has been a continuous introduction of subordinates from other departments of Government to the Accounts Department of the East Indian Railway?

(b) Are Government aware.

(i) that the introduction of these men has adversely affected the prospects of those employees of the Company who were given service under Government;

(ii) that the majority of the men brought to this department are Madrasis;

(iii) that these outsiders have been promoted to the higher paid posts;

(iv) that there has been a succession of Chief Accounts Officers and Deputy Chief Accounts Officers who are Madrasis; and

(v) that the post of Deputy Chief Accounts Officer, who deals with establishment matters, has been held for many years by a Madrasi Deputy?

(c) What action do Government propose to take to prevent a further influx of outsiders into the Accounts Department of the East Indian Railway, and to rectify the hardships inflicted on those men who have been superseded by these outsiders? If none, why not?

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

(b), (i). During the experimental stage of the separation of Audit from Accounts and during the reorganisation of the Stores Accounts, certain outsiders (not from other Government departments as stated in part (a) of the question) were appointed on the East Indian Railway but Government are satisfied that no injustice has been done to the old Company staff as a consequence.

(ii) No. Most of these men have come in through the open competitive examinations while a few were appointed, along with many others at the time referred to in the reply to (b), (i).

(iii) No.

(iv) No. I lay a statement on the table giving the Chief Accounts Officers, the Deputy Chief Accounts Officers on the Railway since 1925.

(v) The information will be found in the statement laid on the table.

(c) Government do not consider any action necessary.

Statement showing the Names of the Incumbents of the Posts of the Chief Accounts Officer, East Indian Railway from 1st January, 1925, to date.

No.	Names.	From.	To.	Remarks.
1.	Mr. B. Sevros	1-1-25	3-12-25	
2.	Mr. H. G. Emmerson	4-12-25	4-12-26	
3.	Mr. B. Severs	5-12-26	10-1-29	
4.	Mr. H. G. Emmerson	11-1-29	9-4-31	
5.	Mr. T. S. Sankara Aiyar	10-4-31	11-10-31	
6.	Mr. H. G. Emmerson	12-10-31	30-11-32	
7.	Mr. K. V. Iyer	1-12-32	27-4-33	
8.	Mr. P. Mohan Rau	28-4-33	20-9-33	
9.	Mr. V. S. Sundaram	21-9-33	1-1-34	
	Do.	18-1-34	31-1-34	
10.	Mr. E. R. Seshu Iyer	1-2-34	24-2-34	
11.	Mr. V. S. Sundaram	25-2-34	23-1-35	
12.	Mr. P. Mohan Rau	4-2-35 to date		

Statement showing the Names of the Incumbents of the Posts of the Deputy Chief Accounts Officer (General) East Indian Railway from 1st January 1925 to date.

No.	Names.	From	To	Remarks.
1	Mr. H. G. Emmerson	1-1-25	2-8-25	
2	,, C. L. E. Coldthurst	3-8-25	1-12-25	
3	,, H. G. Emmerson	2-12-25	3-12-25	
4	,, C. L. E. Coldthurst	4-12-25	4-12-26	
5	,, H. G. Emmerson	5-12-26	15-8-27	
6	Rai Bahadur S. N. Ghosh	16-8-27	10-12-27	A post of additional Deputy was sanctioned from 8th April, 1926 to 30th September, 1929 but that post was surrendered on 3rd July, 1929.
7	Mr. E. Cameron Ker	11-12-27	1-12-28	
8	,, H. G. Emmerson	2-12-28	10-1-29	
9	,, E. Cameron Ker	11-1-29	22-4-29	
10	,, R. Sundarachari	23-4-29	3-7-29	
11	Mr. S. R. Ewing	21-12-26	1-3-28	
12	,, T. S. Sankara Aiyar	9-3-28	28-10-29	
13	,, W. A. W. Ford	29-10-29	30-4-30	
14	,, J. D. Donaldson	13-5-30	18-5-30	
15	,, T. R. V. Sarma	19-5-30	7-4-31	
16	,, P. N. Mukherji	8-4-31	31-3-32	
17	,, P. Mohan Rau	1-4-32	11-7-32	
18	,, E. R. Seshu Iyer	12-7-32	17-11-32	
19	,, P. Mohan Rau	18-11-32	30-3-32	
20	,, E. R. Seshu Iyer	3-4-33	31-1-34	
21	,, Do.	25-2-34	to date.	

Statement showing the Names of the Incumbents of the Posts of the Deputy Chief Accounts Officer (Traffic Accounts Branch) East Indian Railway from 1st January 1925 to date.

No.	Names.	From	To	Remarks.
1.	Mr. E. Cameron Ker	1-1-25	5-12-26	
2.	Mr. C. L. E. Coldthurst	6-12-26	29-2-27	
3.	Mr. H. F. P. Judge	8-4-26	20-12-26	
4.	Mr. H. O. Callaghan	1-3-27	19-2-28	
5.	Mr. K. Ogden	20-2-28	10-6-28	
6.	Rai Bahadur B. D. Puri	11-6-28	19-10-28	
7.	Rai Bahadur S. N. Ghosh	20-10-28	1-12-28	
8.	Mr. E. Cameron Ker	2-12-28	10-1-29	
9.	Rai Bahadur S. N. Ghosh	11-1-29	16-1-29	
10.	Mr. K. Ogden	17-1-29	16-6-29	
11.	Rai Bahadur S. N. Ghosh	17-6-29	1-7-28	
12.	Mr. K. Ogden	2-7-29	30-9-29	
13.	Mr. E. Cameron Ker	1-10-29	31-3-30	
14.	Mr. J. D. Donaldson	1-4-30	30-4-30	
15.	Mr. S. K. Chatterji	1-5-30	18-5-30	
16.	M. P. C. Choudhuri	19-5-30	11-6-30	
17.	Mr. P. N. Mukherji	12-6-30	11-8-30	
18.	Mr. P. Choudhuri	12-8-30	28-8-30	
19.	Mr. W. A. W. Ford	29-8-30	22-2-31	
20.	Dr. S. C. Mukherji	23-2-31	31-3-31	
21.	Mr. K. M. Abraham	8-4-31	10-1-32	
22.	Mr. C. S. Ayyar	11-1-32	26-2-32	
23.	Mr. E. R. Seshu Iyer	27-2-32	11-7-32	
24.	Mr. K. Ogden	12-7-32	30-9-32	
25.	Mr. E. Cameron Ker	1-10-32 to date.		

DETECTION OF FRAUD CASES AT CERTAIN STATIONS ON THE EAST INDIAN RAILWAY.

484. Dr. N. B. Khare: (a) Is it a fact that numerous fraud cases have been detected on the East Indian Railway, *e.g.*, Sagardighi, Giridih, Mudhoganj, Bolpur stations, etc.?

(b) What is the period allowed before a station is required to be inspected?

(c) Has this period been exceeded in the stations mentioned in part (a) and other stations?

(d) Is it a fact that the cadre of Inspectors of Accounts has been reduced from 43 to 29 Inspectors *plus* two temporary men up to 31st March, 1936?

(e) Has any reduction been made in the gazetted service in view of the lesser amount of work? If not, why not?

(f) Is it also a fact that in order to cope with the additional work the Inspectors have been directed to discontinue checking certain station work that had been checked in the past?

(g) Is it further a fact that the work of the Inspectors of Accounts is supervised by the Assistant Accounts Officer, Traffic Accounts section? If so, will Government please state how many changes have been made of the Assistant Accounts Officer during 1935?

Mr. P. R. Rau (a) In the year 1935 frauds were detected at the following stations: Delhi, Fairlie Place Booking Office, Pilkuwe, Bolpur, Sagardighi, Giridih, Mudhoganj stations.

(b) 'A' class stations are inspected once in four months, whereas 'B' class stations are inspected once in six months.

(c) The interval between two successive inspections was exceeded by one month in the case of Sagardighi, Giridih and Mudhoganj station only.

(d) Yes.

(e) One post of an A. A. O. was brought under reduction with effect from the 1st October, 1931, from the Traffic Accounts Branch.

(f) A revised procedure for conducting station inspections was introduced recently but no check of an important nature has been discontinued.

(g) Yes, three.

EXEMPTION OF STATE RAILWAY OFFICERS FROM PASSING QUALIFYING EXAMINATION IN ESTABLISHMENT RULES AND PROCEDURE.

485. Dr. N. B. Khare: (a) With reference to the reply given in this House to unstarred question No. 3 on the 2nd September, 1935, that State Railway Officers are not required to pass qualifying examination in establishment rules, and procedure, will Government please state how the Superintendents and Assistant Superintendents, Staff, on the East Indian Railway, are required to be aware of the establishment rules and procedure?

(b) Is it a fact that establishment rules are frequently being altered, amended or deleted? If so, are such amendment letters furnished to each Superintendent and Assistant Superintendent, whether in the Staff or other sections, to enable them to be familiar with the latest orders on the subject and to hold them responsible for any breaches of the same? If not, why not?

(c) Is it further a fact that the Superintendents and Assistant Superintendents are not permanently attached to the Staff section but are transferred to the Transportation, Commercial, Power, sections, etc., and *vice versa*?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed as follows:

(a) The establishment rules with which staff Superintendents and Assistant Superintendents are concerned are circulated to them through Rule Books, Circulars, etc.

(b) The establishment rules are amended and altered from time to time and such amendments are circulated to the officers concerned. Each case in which there has been a breach of the rules is dealt with on its merits.

(c) Yes.

EXPENDITURE ON THE STAFF BEFORE AND AFTER SEPARATION OF THE RAILWAY FINANCES FROM THE GENERAL FINANCES OF STATE RAILWAYS.

486. **Dr. N. B. Khare:** Will Government please lay on the table a comparative statement of expenditure on the staff (both gazetted and non-gazetted, respectively) before and after separation of the Railway Finances from the General Finances of the Indian State Railways showing *inter alia*:

(a) the number of Staff employed under the late Accountant General, Railways and the Financial Commissioner, Railways with scales of pay communitywise;

(b) the date on which periodic revision of this arrangement was made after three years of the separation; and

(c) the reasons for difference in expenditure year by year till 31st January, 1936?

Mr. P. R. Rau: Government regret that the detailed information asked for is not readily available.

EXPENDITURE ON THE STAFF BEFORE AND AFTER THE AMALGAMATION OF THE EAST INDIAN RAILWAY COMPANY MANAGEMENT AND OF THE OUDH AND ROHILKUND RAILWAY STATE-MANAGEMENT.

487. **Dr. N. B. Khare:** Will Government please lay on the table a comparative statement of expenditure on the staff (both gazetted and non-gazetted respectively) before and after the amalgamation of the East Indian Railway Company management and of the Oudh and Rohilkund Railway State-management showing *inter alia*:

(a) the number of staff employed with scales of pay, community-wise;

(b) the reasons for increase or decrease year by year till 31st January, 1936;

(c) the mileage worked and the percentage of staff employed;

(d) the working expenses and the reasons for increase or decrease if any; and

(e) the economy achieved or affected from amalgamation?

The Honourable Sir Muhammad Zafrullah Khan: The information is not readily available and Government do not consider the labour and expense involved in compiling it will be commensurate with the results likely to be obtained.

ECONOMY EFFECTED BY THE SEPARATION OF THE ACCOUNTS AND AUDIT ON STATE RAILWAYS.

488. **Dr. N. B. Khare:** Will Government please lay on the table a comparative statement of economy effected by the separation of the Accounts and Audit on the Indian State Railways?

Mr. P. R. Rau: The compilation of the information asked for will involve a considerable amount of labour and expense which Government do not consider likely to be justified by results. I would refer the Honourable Member to the memorandum on the subject placed before the Standing Finance Committee on 7th September, 1928, and the remarks of the Railway Retrenchment Sub-Committee.

RE-AMALGAMATION OF ACCOUNTS AND AUDIT SECTIONS UNDER GENERAL AND PROVINCIAL FINANCES ON STATE RAILWAYS.

489. **Dr. N. B. Khare:** (a) Will Government please state whether it is a fact that on the results of the working separately of Accounts and Audit Sections under General and Provincial Finances, they have arrived at the conclusion to do away with the separation and thereafter re-amalgamate the Accounts and Audit as one? If so, what made the Government keep the Audit and Accounts separate on Indian State Railways?

(b) Do Government propose to examine the results and the number of frauds and order the re-amalgamation at an early date, if not, why not?

Mr. P. R. Rau: (a) and (b). The experiments in the separation of Accounts from Audit on the civil side were abandoned as a measure of economy and not due to any defect in the principle of separation. As railways are run on a commercial basis, Government considered it necessary to continue to have an Accounts organisation on State Railways as an integral part of the administration, with a separate independent audit.

EXPENDITURE ON THE SYSTEMS OF WORKING BEFORE AND AFTER THE REORGANISATION ON A DIVISIONAL BASIS OF STATE RAILWAYS.

490. **Dr. N. B. Khare:** Will Government please lay on the table a comparative statement—administrationwise—of expenditure on the systems of working before and after the re-organisation on a Divisional basis of Indian State Railways showing *inter alia*:

(a) the number of staff (both gazetted and non-gazetted, respectively) employed with scales of pay;

(b) the mileage worked and the percentage of staff;

(c) the working expenses per mile;

(d) the economy achieved, and affected;

(e) the reasons for increase or decrease in expenditure; and

(f) the steps taken to effect economy and to achieve efficiency; if none, why not?

The Honourable Sir Muhammad Zafrullah Khan: I would invite the Honourable Member's attention to the Honourable Mr. J. C. B. Drake's reply to question No. 103 asked by the Honourable Rai Bahadur Lala Ram Saran Das in the other House on the 23rd September, 1932, which contains the information readily available with Government.

PROCEDURE ON STATE RAILWAYS FOR PUNISHING OR REDUCING THE STAFF FROM SUPERIOR TO INFERIOR SERVICE ON FAILURE TO PASS AN EXAMINATION.

491. **Dr. N. B. Khare:** Will Government please state the policy and procedure on Indian State Railways for punishing or reducing the staff from superior to inferior service on failure to pass an examination against no defects in their workings?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

SCALE OF PAY APPLICABLE TO THE STAFF RECRUITED BY THE EAST INDIAN RAILWAY BETWEEN 1ST JULY, 1925, AND 1ST NOVEMBER, 1928.

492. **Dr. N. B. Khare:** (a) With reference to the statement laid on the table of this House on the 6th February, 1933, in reply to starred question No. 1469, asked on the 28th November, 1932, will Government please state the scale of pay applicable to the staff recruited by the East Indian Railway between 1st July, 1925, and 1st November, 1928?

(b) Will Government please state the concise reasons for the rapid changes in the scales of pay on the East Indian Railway between the 1st July, 1925, and the 16th July, 1931, or September, 1934?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

STAFF IN EACH SCALE OF PAY AS BUDGETED FOR THE YEAR 1936-37 BY THE EAST INDIAN RAILWAY.

493. **Dr. N. B. Khare:** Will Government please lay on the table a statement, communitywise, of the strength of the staff (gazetted and non-gazetted respectively) in each scale of pay as budgeted for the year 1936-37, by the East Indian Railway against the actuals for the year 1935-36?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

SCALES OF PAY REVISED WITH EFFECT FROM 1ST AUGUST, 1928, ON THE EAST INDIAN RAILWAY.

494. **Dr. N. B. Khare:** With reference to the statement laid before this House on the 6th February, 1933, in reply to starred question No. 1471, asked on the 28th November, 1932, will Government please lay on the table of this House a copy of the scales of pay revised with effect from the 1st August, 1928, and the categories of the staff affected thereby?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

RESOLUTION PASSED IN THE SPECIAL SESSION OF THE ALL-INDIA RAILWAY MUSLIM EMPLOYEES' ASSOCIATION.

495. **Dr. N. B. Khare:** With reference to the reply given to starred question No. 224, asked in this House on the 7th February, 1933, regarding resolution passed in the special session of The All-India Railway Muslim Employees' Association, will Government please state:

(a) whether they have reinstated the staff who were recommended by the Court of Enquiry held under the presidency of Mr. Justice Murphy, to be re-taken in the order they were discharged; and

(b) whether they have reinstated the staff who were shown in Lists "A" and "B" by the said Court of Enquiry?

The Honourable Sir Muhammad Zafrullah Khan: (a) It is presumed that the Honourable Member is referring to paragraph 412 of the Report of the Court of Enquiry regarding the order in which the Court recommended that retrenched staff should be recalled for employment. If so, I would refer the Honourable Member to the instructions contained in paragraph 17 of the Government of India Communique of 6th June, 1932, a copy of which is in the Library of the House. Government are aware that these instructions have been and are being carried out.

(b) I would refer the Honourable Member to the instructions contained in paragraph 8 of the Government of India Communique of 6th June, 1932, referred to in the reply to part (a) of this question. Government have no reason to believe that the instructions issued to the Agents of State-managed Railways in the matter have not been carried out.

APPEALS SUBMITTED TO THE RAILWAY BOARD BY RAILWAY SERVANTS.

496. **Dr. N. B. Khare:** Will Government please state:

(a) whether it is a fact that Mr. P. R. Rau, in answer to a supplementary question to starred question No. 235, asked in this House on the 7th February, 1933, regarding appeals submitted to the Railway Board by Railway servants said: "Nothing will be sent to the Divisional Superintendents direct by the Railway Board, it will always go to the Agent"?

(b) If the reply to part (a) be in the affirmative do the Divisional Superintendents forward direct to the Railway Board or the Governor General in Council, or the Secretary of State for

India in Council or to His Majesty the King Emperor, appeals, memorials, or petitions from the staff under them or do the Divisional Superintendents forward them through the Agent or withhold the appeals?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) The Divisional Superintendents do not normally address the Railway Board or any higher authority direct in any matter concerning an appeal, memorial or petition from the staff under them and such correspondence is forwarded through the Agent. The Divisional Superintendents have certain powers to withhold appeals in accordance with the rules governing appeals.

ABUSES OF POWER IN REGARD TO APPEALS FROM RAILWAY SERVANTS ON THE EAST INDIAN RAILWAY.

497. **Dr. N. B. Khare:** Is it a fact that the appeals which lie to the Agent, East Indian Railway, under the rules, are transmitted by the Agent to the officer, against whose orders the Railway servants appeals for disposal with the result that "orders stand"? If so, under what rule, and what remedy there is to check the abuses of power?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

DISPOSAL OF APPEALS FROM RAILWAY SERVANTS ON THE EAST INDIAN RAILWAY.

498. **Dr. N. B. Khare:** Is it a fact that appeals from Railway servants, submitted through proper channel, to the Agent, East Indian Railway, which lie to him under the rules never reach him, nor are they disposed of by him, and these are always disposed of either by a clerk or by a junior scale officer?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

RULES FOR RESIDENTIAL BUILDINGS ON STATE RAILWAYS.

499. **Dr. N. B. Khare:** (a) Is it a fact that Mr. P. R. Rau, more than once, informed this House that it is the policy of Government not to give retrospective effect to any rule?

(b) Is it a fact that the rules for residential buildings on State Railways were published in 1933?

(c) Is it a fact that the said rules were brought into force from 1st October 1932?

(d) If the replies to parts (a) to (c) be in the affirmative, will Government please state:

(i) the circumstances which made the Agent, North Western Railway, to enforce the said rules from 1st August, 1928, thereby depriving the staff of the benefit of free-quarters or rent in lieu thereof between 1st August, 1928 and 1st October, 1932; and

(ii) the circumstances which made the Agent, East Indian Railway to enforce the said rules from 1st July, 1925 thereby depriving the Ticket Collectors of the benefit of free-quarters or rent in lieu thereof between 1st July, 1925 and 1st October, 1932?

The Honourable Sir Muhammad Zafrullah Khan: (a) If the Honourable Member will quote the particular reply to which he is referring I shall verify it. The usual policy of Government is not to grant retrospective effect in general to concessions that may be granted; but each case must obviously be judged on its merits.

(b) The rules were issued in 1926, but were incorporated in the Code in 1930.

(c) No. They were brought into force on different railways on different dates.

(d) The information is being obtained and a reply will be laid on the table in due course.

RULES UNDER WHICH THE STAFF ON THE EAST INDIAN RAILWAY ARE GOVERNED FOR PURPOSES OF FREE QUARTERS OR RENT IN LIEU THEREOF.

500. **Dr. N. B. Khare:** Will Government please lay on the table the rules under which the staff on the East Indian Railway were governed for purposes of free quarters or rent in lieu thereof between 1st January, 1925, and 1st October, 1932?

The Honourable Sir Muhammad Zafrullah Khan: I lay on the table of the House copies of (i) paragraph 289 of the East Indian Railway Hand Book which governed the staff taken over from the late East Indian Railway Company, and (ii) paragraphs 35 and 36 of the Advance Chapter on Buildings and Residences which governed the staff taken over from the late Oudh and Rohilkund Railway.

Extract of paragraph 289 of the East Indian Railway Hand Book.

289. No rent is charged for occupation of Company's quarters by the following:

Traffic Department.

Station Masters and Assistant Station Masters.

Relieving Station Masters.

Indian employees whose duties require them to live within the precincts of the station.

Platform Inspectors, Yard Foremen and Platform Supervisors.

E. & E. I. Luggage Inspectors and Ticket Collectors, Male or Female, stationed at Howrah and Lillooah.

NOTE.—If no quarters are available for E. & E. I. Luggage Inspectors and Ticket Collectors, male or female, stationed at Howrah, house rent allowance at the rate of Rs. 10 per mensem will be granted on production of a certificate from the Station Superintendent that the employee concerned has lived at Howrah throughout the month within one mile of the station. E. & E. I. Luggage Inspectors and Ticket Collectors on salary of Rs. 65 or over each per mensem and Female Ticket Collectors irrespective of their salaries, stationed at places other than Howrah and Lillooah.

E. & E. I. Luggage Inspectors and Ticket Collectors stationed at places other than Howrah and Lillooah drawing less than Rs. 65 per month who do not live with their relatives are allowed to occupy free quarters to the extent of one room only, when such accommodation is available.

NOTE.—In the cases of married men they may be given two rooms of which one will be rent free while rent for the other should be charged for under the rules—*vide* Agent's letter No. 12973-E. of 4th June 1912 to General Traffic Manager.

Engineering Department.

Permanent Way gangs.

Signallers employed on lines under construction.

Permanent Way Inspectors, Assistant Permanent Way Inspectors and Sub-Inspectors of Permanent Way.

Carriage and Wagon Department.

Train Examiners.

Locomotive Department.

Ferry Fitter at Sahebgunge.

Medical Department.

Sub-Assistant Surgeons where accommodation is available and Sub-Assistant Surgeons are required to live in the Company's premises.

East Indian Railway nurses.

Clerks.

Colliery Department.

Clerical staff employed at the Collieries.

Electrical Department.

Electrical Foreman at Howrah.

Schools.

Teaching staff of E. I. Railway schools.

Extract of paras. 35 and 36 of the Advance Chapter on "Buildings and Residence" of the State Railway Code.

35. The grant of free quarters to the subordinate staff on open lines of State Railways is only permitted in those cases where the employees under ordinary circumstances of work is liable to be called upon at any time without notice to attend to the business of the Railway.

36. The following are the classes of employees to whom free quarters have been admitted under the rule in paragraph 35.

Station and Gate Staff.	All subordinate Traffic and Telegraph staff, including Traffic and Operative Inspectors, Station Masters, Assistant Station Masters, Train Controllers, Ferry Superintendents, Yard Gunners, Letter Sorters, Telegraph Signallers, Booking and other Clerks, Gate Sergeants, Pointsmen, Semaphore Signalmen, Station and Telegraph Peons, Station Lampmen, Level crossings, Gate-keepers, Chowkidars, Watchmen, Darwans on the Press, Menials, Bhisties, Hindu water-men and Mehtars.

NOTE.—Mehtars of the Engineering Department are also entitled to free quarters.

Maintenance Staff.	Inspectors and Sub-Inspectors of Maintenance in charge of lengths of line, Bridge Inspectors, Yard Inspectors, Telegraph Maintenance Inspectors, and Batterymen of the Electrical Department, Assistant and Sub-Assistant Inspector of Signals, Interlocking Cabin Inspectors, Linemen or regular Permanent-way labourers, Trolleymen of Engineer Officers and Permanent-way Inspectors, Bridge Watchmen and Sanitary Inspectors, Interlocking Fitters, Interlocking Khallasies, Electric Fitters employed under the Signal Engineers in maintaining train control, key transmitters and block instruments, Carpenters, Blacksmiths, Hammermen, Bellowmen under Permanent-way Inspectors, Coolies under Carpenters, Chowkiders.

NOTE.—Bridge-watchmen and Chowkidars are granted free quarters when they are compelled to reside close to their charges.

Medical	All Medical Subordinates whether belonging to the Military or Civil Department, Sanitary Inspectors employed by the Railway and Domes.
Police	Inspectors, Sub-Inspectors, Sergeants and Constables.
Locomotives and Carriage and Wagon Departments.	Locomotive Inspectors and Locomotive Shed Foreman, Assistant Shed Foremen, Night Assistant Foremen, Carriage Examiners and Assistant Carriage Examiners, also the following staff of running sheds, viz., Chargemen, Boilermakers, Fitters, Foremen, Vacuum Brake Chargemen, Out-door Electricians, Cleaners, Engine Lighters, Wheel-tappers, Running-shed Fitters, Coalmen, or Khallasies, Trollymen, Running-shed Coolies, Greasers, Ghat Khallasies and Mistries, Wagon Ferry Khallasies at Ghat Stations, Carriage Shed Trainmen, Tindals and Fitters of the Electrical Department who have to attend to the lighting of trains.
Miscellaneous	Cash Office Treasury Guards, Magazine Chowkidars.

EMOLUMENTS CLASSED AS PAY ON STATE RAILWAYS.

501. **Dr. N. B. Khare:** Will Government please lay on the table the list of emoluments on Indian State Railways classed as pay under Fundamental Rule 9 (21) (a) (iii)?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member is referred to the reply given to unstarred question No. 94 asked by Pandit Sri Krishna Dutta Paliwal on the 4th February, 1936.

RULES UNDER WHICH AN EMOLUMENT ON STATE RAILWAYS IS TREATED AS PAY FOR PURPOSES OF LEAVE SALARY.

502. **Dr. N. B. Khare:** Will Government please state the rule under which an emolument on Indian State Railways is treated as pay for purposes of leave salary?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member is presumably referring to the mileage allowance granted to running staff on State Railways. If so, his attention is invited to the note below Rule 4(6) of the New Leave Rules for State Railway servants. In the case of running staff subject to the leave rules contained in the Fundamental Rules, the mileage allowance, up to a limit of 75 per cent. of pay, is taken into account for the purpose of calculating leave salary under special orders of the Secretary of State.

RULES REGARDING GRANT OF HOUSE RENT OR FREE QUARTERS TO CERTAIN STAFF ON STATE RAILWAYS.

503. **Dr. N. B. Khare:** Will Government please state:

(a) the category under which the clerical staff of the administrative offices on Indian State Railways form part under rule 36 of State Railways Rent Rules;

(b) the category under which the ticket collecting and checking staff on Indian State Railways form part under rule 36 of State Railways Rent Rules;

(c) the rule under which the clerical staff of the administrative offices on Indian State Railways are eligible for free quarters or house rent in lieu; and

(d) the circumstances and the rule under which non-entitled staff on Indian State Railways are allotted quarters in preference to those who are entitled by virtue of the rules?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (c). The clerical staff of the Administrative offices on Indian State Railways are not among the staff to whom free quarters are admitted according to rule 36 of the Advance Chapter on Buildings and Residences which is what the Honourable Member is presumably referring to.

(b) The ticket collecting and checking staff *at stations* fall under the category of subordinate traffic staff at stations.

(d) Government are not aware that non-entitled staff on Indian State Railways are allotted quarters in preference to those who are entitled by virtue of the rules.

GRANT OF FREE QUARTERS OR RENT IN LIEU TO THE TICKET COLLECTOR ON THE EAST INDIAN RAILWAY.

504. **Dr. N. B. Khare:** Will Government please state:

(a) whether it is a fact that Ticket Collectors on the East Indian Railway were entitled to free quarters or rent in lieu before the introduction of the crew system;

(b) whether it is a fact that on the introduction of the crew system, the Ticket Collectors were classed as running staff and provided with free accommodations in Hostels maintained by the Railway Administration and were not required to pay rent for occupation of such Hostels though they were paid consolidated allowance of Rs. 15 and Rs. 20 for stationary duties;

(c) whether it is a fact that on abolition of the crew system and introduction of the Moody-Ward System the ticket collecting and checking staff were removed from the category of running staff;

(d) whether it is a fact that the ticket checking and collecting staff, substantive permanent (other than those recruited temporarily for the crew system), enjoyed the privilege of free housing during the operation of the crew system and before the introduction of the revised rent rules from 1st October, 1932;

(e) whether the ticket collecting and checking staff are subordinate Traffic staff;

(f) if the replies to parts (a) to (e) be in the affirmative, the reasons for depriving the ticket collecting and checking staff of the privilege which they have enjoyed before the introduction of the revised rent rules; and

(g) whether Government propose to extend to the ticket collecting and checking staff the privilege they have enjoyed before the introduction of the revised rent rules; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider that the expense and labour involved in collecting it will be commensurate with the results likely to be obtained. These are matters of detailed administration entirely within the competence of the Agent whom a copy of the question has been sent for information and such action as he may consider necessary.

HOUSE RENT REALISED FROM THE OFFICERS ON THE EAST INDIAN RAILWAY.

505. **Dr. N. B. Khare:** Will Government please state the concise reason for charging house rent from the officers on the East Indian Railway lesser than ten per cent. of their pay or capital outlay?

The Honourable Sir Muhammad Zafrullah Khan: The rules provide that the assessed rent for each class of quarters shall be so fixed that the total rent realised for all the quarters in each class taken together will give a return as near as possible to, but not less than, four per cent. per annum on the total capital cost of each such class, and that the rent charged to an individual, in respect of the quarter supplied, shall not exceed ten per cent. of his emoluments.

DAILY RATE OF TRAVELLING ALLOWANCES ADMISSIBLE UNDER THE FUNDAMENTAL RULES TO TRAVELLING TICKET EXAMINERS ON STATE RAILWAYS.

506. **Dr. N. B. Khare:** Will Government please state the daily rate of travelling allowance admissible under the Fundamental Rules to Travelling Ticket Examiners on Indian State Railways against which (daily rate) the monthly consolidated allowance was sanctioned from 1st June, 1931 (*viz.*, Rs. 15 and Rs. 20 respectively)?

The Honourable Sir Muhammad Zafrullah Khan: I would invite the Honourable Member's attention to my reply to Qazi Muhammad Ahmad Kazmi's question No. 832 asked on the floor of this House on 26th February, 1936.

POLICY AND PROCEDURE IN RESPECT OF CONFIRMATION OF STAFF ON THE EAST INDIAN RAILWAY AGAINST SUBSTANTIVE VACANCIES.

507. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of confirmation of staff on the East Indian Railway, officiating or acting against substantive vacancies?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information. These are matters of detailed administration entirely within the competence of the Agent, East Indian Railway, to deal with.

POLICY AND PROCEDURE IN RESPECT OF THE APPOINTMENT OF CERTAIN STAFF ON THE EAST INDIAN RAILWAY.

508. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of appointing staff on the East Indian Railway, holding posts as Transportation Inspectors, Controllers, Station Superintendents and Assistant Running Shed Foremen to posts of Station Masters, guards, letter sorters and drivers, *i.e.*, from posts of selections to posts of non-selections?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information. These are matters of detailed administration entirely within the competence of the local Railway administration to decide.

POLICY AND PROCEDURE IN RESPECT OF ABOLISHING A POST ON THE EAST INDIAN RAILWAY.

509. **Dr. N. B. Khare:** (a) Will Government please state the policy and procedure in respect of abolishing a post on the East Indian Railway?

(b) Will Government please state the policy and procedure in respect of creating a post on the East Indian Railway?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

DIFFERENCE IN THE NATURE OF DUTIES OF CERTAIN STAFF ON THE EAST INDIAN RAILWAY.

510. **Dr. N. B. Khare:** Will Government please state the concise difference in the nature of duties of:

(a) brakesman and guard;

(b) letter delivery clerks, letter despatch clerks, letter sorters and train despatch clerks; and

(c) Travelling Ticket Inspectors, Crewmen and Travelling Ticket Examiners, on the East Indian Railway?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

MATTERS OVER WHICH THE INDIAN RAILWAY CONFERENCE ASSOCIATION HAVE CONTROL.

511. **Dr. N. B. Khare:** Is it a fact that Mr. P. R. Rau in reply to starred question No. 249, asked in this House on the 7th February, 1933, said: "The Indian Railway Conference Association is an autonomous body not under the control of Government in these matters"? If so, will Government please state the matters over which they have control?

The Honourable Sir Muhammad Zafrullah Khan: The reply to the first part is in the affirmative. As regards the latter part, I would refer the Honourable Member to the reply given to part (d) (i) of starred question No. 565 asked by Mr. Muhammad Azhar Ali on the 26th February, 1935.

QUALIFICATIONS FOR APPOINTMENT AS TRANSPORTATION INSPECTORS, COMMERCIAL, ON THE EAST INDIAN RAILWAY.

512. **Dr. N. B. Khare:** (a) With reference to the statement laid before this House on the 2nd February, 1933, in reply to starred question No. 1342, asked on the 21st November, 1932, regarding qualifications for appointment as Transportation Inspectors, Commercial, on the East Indian Railway, will Government please state:

(i) whether it is a fact that an amalgamation of the Transportation Inspectors movements with the Transportation Inspectors, Commercial has taken place on the East Indian Railway; and

(ii) whether it is a fact that the Transportation Inspectors on amalgamation have to deal with commercial matters?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider the labour and expense involved in collecting it will be justified by the results likely to be obtained. These are matters of detailed administration entirely within the competence of the Agent to decide to whom a copy of the question has been sent for information and such action as he may consider necessary.

HOURS OF WORK OF TICKET COLLECTORS AT HOWRAH ON THE EAST INDIAN RAILWAY.

513. **Dr. N. B. Khare:** Will Government please state whether it is a fact that Ticket Collectors on the East Indian Railway as a class rostered under hours of employment perform duty every week under different type of rosters at Howrah Station, *i.e.*, in one week they are continuous workers and during other week they are intermittent workers? If so, how did they enjoy the weekly rest and how was an average per month calculated in their case for purposes of overtime and the rule under which the same employee is classed both continuous and intermittent worker during one month at Howrah Station?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed that it is not a fact that the ticket collectors at Howrah Station have been classified as continuous and intermittent workers alternatively. They are classed as continuous workers and perform duties in accordance with definite approved rosters which provide for weekly rest under the Hours of Employment Rules. In cases in which any of the ticket collectors are required to work extra hours beyond their rostered hours of duty, their overtime is calculated and paid under the Hours of Employment Regulations.

GAZETTED OFFICERS DETECTED ON THE EAST INDIAN RAILWAY FOR IRREGULARITIES IN THEIR MOVEMENTS BY RAIL.

514. **Dr. N. B. Khare:** Will Government please lay a statement showing the number of gazetted officers detected by the ticket checking staff before and after the introduction of the Moody-Ward System on the East Indian Railway for irregularities in their movements by rail?

The Honourable Sir Muhammad Zafrullah Khan: I presume the Honourable Member's question has reference to officers detected travelling without proper tickets. This information is not available and to obtain it will involve considerable labour incommensurate with the use to which it could be put.

PERSONS IN RECEIPT OF COMPLIMENTARY PASS TO TRAVEL ON STATE RAILWAYS.

515. **Dr. N. B. Khare:** Will Government please lay a list of those persons who are in receipt of complimentary pass to travel on Indian State Railways showing *inter alia* the authority who has granted the pass, the purpose for which the pass is issued, and the rule under which it is permissible?

The Honourable Sir Muhammad Zafrullah Khan: A list showing the complimentary passes issued by the Railway Board, available over the State-managed Railways, is placed on the table. As stated, these are complimentary and their issue is in exercise of the discretion of the Railway Department.

List of First Class complimentary Card Passes issued during the year 1935.

No.	Date.	To whom issued.	Date of expiry.
97/1	15-2-1935	Mr. H. E. Byram, Chairman of the Board, Chicago-Milwaukee, St. Paul and Pacific Railroad Co.	31-12-1936.
98/2	23-3-1935	Either the General Secretary or the Travelling Secretary of the General Headquarters of the Boy Scouts Association.	30-9-1936.
99/3	25-3-1935	General Secretary, St. John Ambulance Association.	31-3-1936.
100/3-A.	5-4-1935	Chief Lady Superintendent, Lady Minto's Indian Nursing Association.	31-3-1936.
102/5	25-4-1935	Secretary, Countess of Dufferin's Fund Council.	24-4-1936.
103/6	7-5-1935	One Representative of the Associated Press of India.	6-5-1936.
104/7	25-6-1935	The Most Revd. A. E. J Kenealy, Archbishop of Simla and his Secretary.	24-6-1936.
105/8	2-7-1935	Mr. Middlecoat, Travelling Representative of the Canadian National Railways.	31-3-1936.

FRAUDS, DEFICIT IN REVENUES, ETC., DETECTED ON THE EAST INDIAN RAILWAY.

516. **Dr. N. B. Khare:** Will Government please lay on the table a comparative statement of frauds, deficit in revenues, etc., detected during the past three years by the Transportation Inspectors under Divisional Superintendents and by the Inspectors under the Accounts and Audit Departments on the East Indian Railway?

The Honourable Sir Muhammad Zafrullah Khan: Government regret they cannot undertake to make the compilation required as it will involve an amount of labour and time which is not likely to be justified by results.

ENTERTAINMENT EXPENSES ON RAILWAYS.

517. **Dr. N. B. Khare:** Has the attention of the Governor General in Council been invited to Railway Board's letter No. 9458-F. of the 4th March, 1935, regarding entertainment expenses? If so:

(i) when was the entertainment held and in whose honour;

(ii) why were the expenses not recovered from the officer?

Mr. P. R. Rau: Yes.

(i) In 1933, in honour of the Governor of Bihar and Orissa.

(ii) The expenditure was incurred in accordance with previous practice.

ACTING ALLOWANCES OF THE *ex*-COMPANY STAFF OF THE EAST INDIAN RAILWAY.

518. **Dr. N. B. Khare:** Has the attention of the Governor General in Council been invited to Railway Board's No. L.E.-101563-E.G., of the 22nd September, 1934, regarding acting allowances to the staff recruited by the Company-management and retained by the Government of India on the East Indian Railway? If so, will Government state:

(a) whether it is a fact that the staff recruited by the Company-management and retained by the Government of India were told definitely that the rule of pay and allowances will remain in force as it stood on 31st December, 1924;

(b) whether it is a fact that the said staff executed an agreement with the Government of India on the condition that their pay and allowance will be governed by the rules of the Company-management as stood on 31st December, 1924;

(c) if the replies to parts (a) and (b) be in the affirmative, will Government state:

(i) whether the affected staff was called upon to agree to the change enforced by Railway Board's No. L.E.-10563-E.G., of the 22nd September, 1934, if not, why not;

(ii) the authority under which terms of an agreement are alterable by one part of the agreement;

(iii) the rule under which the Railway Board is competent to alter any condition of service; and

(iv) the clause of memorandum which permits changes in rules as stood on 31st December, 1924?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

RELATIONSHIP BETWEEN THE AGENT AND CERTAIN OTHER STAFF ON STATE RAILWAYS.

519. **Dr. N. B. Khare:** Will Government please state the relationship between the Agent and (i) Chief Engineer, (ii) Chief Operating and Transportation Superintendents, (iii) Chief Traffic and Commercial Managers, (iv)

Locomotive and Carriage and Wagon Superintendents, (v) Chief Mechanical Engineers, (vi) Superintendents of Mechanical Workshops, and (vii) Divisional Superintendents of the North Western, Eastern Bengal, East Indian, Great Indian Peninsula and Burma Railways as referred to in Rule 27 of Railway Board's No. E. 34 R.G. 6 of the 2nd June, 1935?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

SUPPLY OF RULES, CIRCULARS, GAZETTE NOTIFICATIONS TO THE NON-GAZETTED STAFF ON STATE RAILWAYS.

520. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of supply of Rules, Circulars, Gazette Notifications to the non-gazetted staff on Indian State Railways, issued by competent authorities which affect the rights of the staff?

The Honourable Sir Muhammad Zafrullah Khan: The general practice is to notify such rules to the staff.

NON-SUPPLY OF CLASSIFIED SENIORITY OR GRADATION LISTS TO THE NON-GAZETTED STAFF ON STATE RAILWAYS ON PAYMENT.

521. **Dr. N. B. Khare:** Will Government please state the concise reasons for the non-supply of classified seniority or gradation lists to the non-gazetted staff on Indian State Railways on payment?

The Honourable Sir Muhammad Zafrullah Khan: I would invite the Honourable Member's attention to Mr. Sham Lal's unstarred question No. 391, asked on the floor of this House on the 20th March, 1936

ADVANCEMENT OF THE NON-GAZETTED STAFF ON THE EAST INDIAN RAILWAY FROM ONE STAGE TO ANOTHER IN THE TIME SCALES OF PAY.

522. **Dr. N. B. Khare:** (a) Will Government please state the policy and procedure in respect of advancement of the non-gazetted staff on the East Indian Railway from one stage to another in the time scales of pay on posts or appointments other than selection posts (*viz.*, Transportation Inspectors, Station Superintendents, Controllers and Assistant Running Shed Foremen)?

(b) Will Government please state the policy and procedure in respect of advancement of the non-gazetted staff on the Indian State Railways from one stage to another in the time scales of pay?

(c) Will Government please state the policy and procedure in respect of the advancement of the non-gazetted staff on the East Indian Railway from one stage to other in the time scales of pay running parallel to each other (*viz.*, old East Indian Railway scales of pay, old Oudh and Rohilkhand Railway scales of pay, co-ordinated scales of pay of 1928 and the revised scales of pay of 1934)?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (c). The information readily available with Government will be found in the Rules for the recruitment and training of subordinate staff on State-managed Railways, a copy of which is in the Library of the House.

SENIORITY AMONGST THE NON-GAZETTED STAFF ON THE EAST INDIAN RAILWAY IN EACH STAGE OF THE TIME SCALES OF PAY.

523. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of seniority amongst the non-gazetted staff on the East Indian Railway in each stage of the time scales of pay running parallel to each other (*viz.*, old East Indian Railway scales of pay, old Oudh and Rohilkhand Railway scales of pay, co-ordinated scales of pay of 1928 and the revised scales of pay of 1934)?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information. This is a matter of detailed administration entirely within the competence of the Agent, East Indian Railway, to deal with.

RESERVATION OF ONE BAY OF NO. 4 SHED WITHIN THE HOWRAH GOODS SHED ON THE EAST INDIAN RAILWAY.

524. **Dr. N. B. Khare:** Is it a fact that one Bay of No. 4 shed within the Howrah Goods Shed on East Indian Railway is fenced and reserved? If so, will Government please state:

(a) the authority under whom this is reserved,

(b) the purpose for which this is reserved,

(c) the amount of rent recovered during the preceding three years,

(d) whether the Superintendent Commercial ever visited the reserved places, if so, with what inspection note,

(e) whether the Superintendent Commercial has ever satisfied himself that the reserved places are utilized for *bona fide* Government purposes or in the alternative utilized for private purposes and the rent is properly and regularly recovered?

The Honourable Sir Muhammad Zafrullah Khan: The Bay of No. 4 Shed within the Howrah Goods Shed is neither fenced nor reserved.

(a) to (e). Do not arise.

CERTAIN CONTRACTS ON STATE RAILWAYS.

525. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of contracts for (1) refreshments, (2) vendors, (3) stalls for books, newspapers and commodities, (4) handling of commodities, luggage and parcels, and (5) coolies on Indian State Railways?

The Honourable Sir Muhammad Zafrullah Khan: I am not sure that I have understood the Honourable Member's question. Contracts are given by the Agent or other officers to whom powers to give such contracts have been delegated by the Agent. The procedure in the giving of contracts varies according to both the nature and value of the contract, the aim being to obtain the best service at the minimum cost.

CONTRACTS EXECUTED BY THE EAST INDIAN RAILWAY DURING 1935 IN RESPECT OF CERTAIN ITEMS.

526. **Dr. N. B. Khare:** Will Government please lay on the table a statement of contracts executed by the East Indian Railway during 1935 in respect of (1) refreshments, (2) vendors, (3) stalls, (4) handling, and (5) coolies and state whether the contract was a renewal of the previous one? If so, what is the date when the original contract was executed and the reasons for such monopoly?

The Honourable Sir Muhammad Zafrullah Khan: Government do not consider that the time and labour involved in compiling the statement can be justified by any use to which it could be put.

TERMS OF AGREEMENTS WITH MONTHLY NON-PENSIONABLE SUBORDINATE EMPLOYEES ON STATE RAILWAYS.

527. **Dr. N. B. Khare:** Will Government please state the authority empowered to amend modify or alter the existing terms of agreements with monthly non-pensionable subordinate employees on State Railways?

The Honourable Sir Muhammad Zafrullah Khan: I propose to reply to questions Nos. 527 and 528 together.

The questions are too general for any specific reply to be given. If the Honourable Member will specify the points on which information is required I will endeavour to give a reply.

AUTHORITY BY AND THROUGH WHICH THE SECRETARY OF STATE FOR INDIA IN COUNCIL ACTS ON STATE RAILWAYS.

†528. **Dr. N. B. Khare:** Will Government please state the authority by and through which the Secretary of State for India in Council acts on State Railways?

EMOLUMENTS CLASSED AS PAY FOR EMPLOYEES OF CENTRAL SERVICES.

529. **Dr. N. B. Khare:** Will Government please state whether the emoluments classed as pay under Fundamental Rule 9 (21) (a) (iii) have the same statutory protection as pay proper? If not, under what rule; and will Government lay a list of emoluments classed as pay for employees of Central Services?

The Honourable Sir James Grigg: I am not quite clear what the Honourable Member has in mind. If he is referring to a case of a particular type and will write to me about it I will try to give him a complete answer.

ABSORPTION OF THE TRAVELLING TICKET INSPECTORS OF THE ACCOUNTS DEPARTMENT IN THE CREW SYSTEM ON THE EAST INDIAN RAILWAY.

530. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of absorption of the Travelling Ticket Inspectors of the Accounts Department in the crew system on the East Indian Railway?

† For answer to this question, *see* answer to question No. 527.

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 530 and 531 together.

I would invite the Honourable Member's attention to my reply to Qazi Muhammad Ahmad Kazmi's question No. 832, asked on the floor of this House on the 26th February, 1936.

ABSORPTION OF THE TRAVELLING TICKET INSPECTORS OF THE ACCOUNTS DEPARTMENT IN THE MOODY-WARD SCHEME OF TICKET CHECKING ON THE EAST INDIAN RAILWAY.

†531. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of absorption of the Travelling Ticket Inspectors of the Accounts Department in the Moody-Ward Scheme of ticket checking on the East Indian Railway?

DIFFERENCE IN NATURE OF DUTIES, POWERS, ETC., BETWEEN A PRINCIPAL OFFICER AND A HEAD OF DEPARTMENT ON THE EAST INDIAN RAILWAY.

532. **Dr. N. B. Khare:** Will Government please state the difference in nature of duties, powers, etc., between a principal officer and a head of department on the East Indian Railway?

The Honourable Sir Muhammad Zafrullah Khan: The question is too general for any specific reply to be given. If the Honourable Member will specify the particular points on which he requires information, I will endeavour to reply.

RE-ORGANISATION OF THE EAST INDIAN RAILWAY ON DIVISIONAL SYSTEM.

533. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of the re-organisation of the East Indian Railway on Divisional system?

The Honourable Sir Muhammad Zafrullah Khan: I would invite the Honourable Member's attention to the Honourable Mr. J. C. B. Drake's reply to question No. 9, asked by the Honourable Mr. Jagadish Chandra Banerjee on the 20th September, 1932, in the other House.

RE-ORGANISATION OF THE EAST INDIAN RAILWAY ON DIVISIONAL SYSTEM.

534. **Dr. N. B. Khare:** Will Government please state:

(a) the increase or decrease of volume of work amongst gazetted and non-gazetted staff respectively since the re-organisation of the East Indian Railway on Divisional system:

(b) the increase or decrease of the strength of gazetted and non-gazetted staff respectively since the re-organisation of the East Indian Railway on Divisional system;

(c) the increase or decrease of the expenditure on gazetted and non-gazetted staff respectively since the re-organisation of the East Indian Railway on Divisional system;

† For answers to this question, *see* answer to question No. 530.

(d) the increase or decrease of the revenues since re-organisation of the East Indian Railway on Divisional system;

(e) the justification for the increase in number of gazetted staff since re-organisation of the East Indian Railway on Divisional system against the decrease in revenues;

(f) the justification for having (i) three Deputy Agents, (ii) one Secretary and two Assistant Secretaries to the Agent; and

(g) the justification in the increase of expenditure?

The Honourable Sir Muhammad Zafrullah Khan: (a) I would invite the Honourable Member's attention to the Honourable Mr. J. C. B. Drake's replies to question No. 9 of the Honourable Mr. Jagadish Chandra Banerjee and question No. 103 of Rai Bahadur Ram Saran Das asked in the other House on the 20th September, 1932, and 23rd September, 1932, respectively. This is the only information readily available with Government and they do not consider that any useful purpose will be served by supplementing it.

(b) to (g). Available information is contained in the Reports by the Railway Board on Indian Railways published annually, copies of which will be found in the Library of the House.

DELEGATION OF POWERS TO HEADS OF DEPARTMENTS ON THE EAST INDIAN RAILWAY.

535. **Dr. N. B. Khare:** Has the attention of Government been invited towards paragraphs 1, 3, 4, 7 and 8 of Circular No. 466 of 10th May, 1927, issued by the Agent, East Indian Railway, regarding delegation of powers to heads of department? If so, will Government please state how a general delegation is permissible by rules made under the Government of India Act?

The Honourable Sir Muhammad Zafrullah Khan: The reply to the first part of the question is in the affirmative. The circular mentioned refers not to any real delegation of powers but only to internal official arrangements for proper conduct of business, the sanctions concerned always issuing as from the Agent.

COMPARATIVE STATEMENT OF AMOUNTS SAVED FOR POSTS HELD IN ABEYANCE OR ABOLISHED ON THE EAST INDIAN RAILWAY.

536. **Dr. N. B. Khare:** Is it a fact that the Agent, East Indian Railway, utilized the sanctioned amount in the budget for the posts held in abeyance or abolished for purposes otherwise by appropriating the savings? If not, will Government please lay on the table a comparative statement of amounts saved for such posts and appropriated for other posts during the last three years?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information.

NON-GAZETTED STAFF RE-EMPLOYED ON THE EAST INDIAN RAILWAY IN THE NON-PENSIONABLE ESTABLISHMENT AFTER RETIREMENT, DISCHARGE OR OTHERWISE.

537. **Dr. N. B. Khare:** Will Government please lay on the table a list of the non-gazetted staff re-employed on the East Indian Railway in the non-pensionable establishment after retirement, discharge or otherwise, showing the pay drawn before and after re-employment?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider any useful purpose will be served by collecting it.

ACCOMMODATION FOR STAFF ON STATE RAILWAYS WHILE PERFORMING SPECIAL DUTIES AT *MELAS* OUTSIDE THEIR HEADQUARTERS STATIONS.

538. **Dr. N. B. Khare:** Will Government please state the policy in respect of accommodation for staff on State Railways while performing special duties at *melas* outside their Headquarters stations?

The Honourable Sir Muhammad Zafrullah Khan: Temporary accommodation is generally arranged to the extent to which it is practicable to provide such accommodation for the additional staff detailed for duty at *melas*. No charge is ordinarily recovered from the staff for such accommodation.

CERTAIN PARTICULARS REGARDING THE *ADH KUMBH MELA* HELD DURING 1936 AT ALLAHABAD.

539. **Dr. N. B. Khare:** Is it a fact that *Adh Kumbh Mela* was held during 1936 at Allahabad? If so, will Government please state in that connection:

(a) the expenditure incurred divisionwise by the East Indian, Great Indian Peninsula and Bengal and North Western Railways;

(b) the strength in each class of the staff posted divisionwise by the said three Railways at the *mela* area;

(c) the traffic carried in each class of accommodation trainwise by the said three Railways, to and for the *mela area*;

(d) names of the temporary stations opened in addition to the existing stations within the *mela* area and the staff posted classwise at each station;

(e) kinds of comforts provided for the travelling public at *mela* stations;

(f) revenues earned divisionwise by the said railways;

(g) accommodation provided to gazetted and non-gazetted staff, respectively, at *mela* stations; and

(h) kind and cost of comforts provided to gazetted and non-gazetted staff, respectively, at *mela* stations?

The Honourable Sir Muhammad Zafrullah Khan: The compilation of the information asked for will involve a considerable amount of clerical labour incommensurate with any use to which such information could be put.

EXEMPTION OF THE COMPANY STAFF FROM PASSING DEPARTMENTAL EXAMINATIONS.

540. **Dr. N. B. Khare:** (a) Is it a fact that the Controller of Railway Accounts under No. 41-C.R.A.-Estt.-33-A, of 8th October, 1934, exempted the Company staff from passing departmental examinations? If so, will Government please state the policy of exempting the Company staff from passing departmental examination after ten years service under the Government and whether such exemption is also ordered for those employees of State Railways who joined the State Services before the introduction of departmental examinations on separation of accounts from the Audit; if not, why and what reasons they have for such differential treatment?

(b) What action has been taken against the gazetted officer for such discrimination? If none, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) The reply to the first part of the question is in the affirmative. *Ex*-company staff were exempted from the departmental examinations because it was considered that the imposition of a system of examinations would not be consistent with the pledge given to the staff before the administration was taken by the State from the old East Indian, Great Indian Peninsula and Burma Railways Companies.

The position of the staff transferred from the combined Audit and Accounts Offices of State-managed Railways is quite different as they were only transferred from one Government department to another. Moreover, a similar system of examinations had been in force even when the staff was under the control of the Auditor General.

(b) The question is not understood.

CHECKING OF THE WORK OF STATION MASTERS BY A TRAFFIC INSPECTOR ON THE EAST INDIAN RAILWAY.

541. **Dr. N. B. Khare:** Is it the duty of a Traffic Inspector on the East Indian Railway to check the work of Station Masters? If so, is it not necessary for them to hold the requisite standard of qualification, *viz.*, "Goods Accounts Higher Standard" laid down for such posts?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

PROMOTION TO THE VACANCIES IN THE GRADE OF SUB-HEADS IN THE ACCOUNTS OFFICES ON STATE RAILWAYS.

542. **Dr. N. B. Khare:** Will Government please state the policy and procedure in respect of promotion to the vacancies in the grade of sub-heads in the Accounts Offices on State Railways?

Mr. P. R. Rau: Under the Standing Orders which are in force at present no clerk is eligible for promotion as a sub-head unless either (a) he has passed a specially prescribed departmental examination or (b) being an *ex*-company's employee is considered to be fully fit to discharge the duties of a sub-head. It has also been laid down that about one-half of the vacancies in the grade of sub-heads may at the discretion of the Chief Accounts Officer be given to clerks who have passed the examination qualifying for promotions to the grade of Accountants.

GRANT OF PRESIDENCY ALLOWANCES TO THE STAFF OF THE EASTERN BENGAL AND EAST INDIAN RAILWAYS.

543. **Dr. N. B. Khare:** (a) Will Government please state the policy and procedure in respect of the grant of Presidency Allowances to the staff of the Eastern Bengal and East Indian Railways?

(b) Is it a fact that the staff of the Accounts offices at Calcutta on the Eastern Bengal and East Indian Railways are not paid the Presidency Allowance? If so, why and under which rule are they differentially treated from the staff of the Agents and of the Chief Auditor's offices?

(c) Is it a fact that the staff of Agents' offices and of the Chief Auditors' offices on the Eastern Bengal and East Indian Railways are paid ten per cent. of their pay as Presidency Allowance? If so, are the staff of the Accounts offices on the said Railways also paid ten per cent. of their pay as Presidency Allowance? If not, why not, and what are the reasons for such differential treatment?

(d) Is it a fact that the scales of pay of the staff under the Agent and under the Chief Auditor of Eastern Bengal and East Indian Railways were increased on non-payment of Presidency Allowance? If so, in what proportion were the scales of pay of the staff of the Accounts offices increased?

(e) Is it a fact that the Financial Commissioner, Railways, has ruled that all orders of the Railway Board applicable to Agents' offices are also applicable to Accounts offices? If so, why is a deviation to the rule governing Presidency Allowances to the staff under the Agents, Eastern Bengal and East Indian Railways, made in respect of the staff of the Accounts offices of the said Railways?

Mr. P. R. Rau: (a) and (b), (i). Clerical staff in the Eastern Bengal and East Indian Railways administrative offices at Calcutta, except those on the old East Indian Railway scales of pay, are granted a local allowance at ten per cent. of pay.

(ii) Accounts staff of the East Indian and Eastern Bengal Railways who are on the old scales of pay are not granted any compensatory allowance at Calcutta, as their scales were worked out with reference to the average cost of living at the various places to which the staff were likely to be posted from time to time.

(iii) Accounts staff on the old East Indian Railway Company's scales of pay are also not granted any compensatory allowance, as the Calcutta local allowance is merged in those scales.

(iv) Accounts staff of the Oudh and Rohilkund Railway, transferred from Lucknow to Calcutta, except those who elected the scales of pay introduced in 1926, are granted compensatory allowance at ten per cent. of pay.

(v) Accounts staff on the revised scales of pay introduced in 1934 are granted a compensatory allowance at the rates admissible to the staff in the Railway administrative offices at Calcutta.

(vi) Accountants permanently taken over from the Audit Department are also granted a compensatory allowance at the rates admissible to them in the Audit Department.

(c) As regards the Agents' offices at Calcutta, I would refer the Honourable Member to the reply to parts (a) and (b) above. In the offices of the Chief Auditors of the Eastern Bengal and East Indian Railways, only the senior and junior Auditors get allowances as shown below:

	Cost of living allowance.	House rent allowance.
	Rs.	
Senior Auditors . . .	35 per mensem	8 per cent. of pay.
Junior Auditors . . .	30 per mensem	8 per cent of pay.

No compensatory allowance is allowed to the clerks of the Chief Auditors' offices.

The position in regard to the Accounts staff is stated in the reply to parts (a) and (b) above.

(d) The reply to the first part of the question is in the negative. The second part does not arise.

(e) The ruling referred to applied to matters of discipline and general conditions of service and not to scales of pay and allowances.

PRESIDENCY ALLOWANCE OF THE ACCOUNTANTS IN THE ACCOUNTS DEPARTMENT OF THE EASTERN BENGAL AND EAST INDIAN RAILWAYS STATIONED AT CALCUTTA.

544. **Dr. N. B. Khare:** (a) Is it a fact that the Accountants, grades I and II of the Accounts Department of the Eastern Bengal and East Indian Railways stationed at Calcutta are not paid any allowance to compensate for the higher cost of living in that city than elsewhere?

(b) Is it a fact that: (i) the Accountants in the Audit Department of the said Railways are drawing a compensatory allowance; (ii) the entire ministerial staff of the administrative offices of the said Railways stationed at Calcutta are drawing an allowance; (iii) the Accountants, who have recently been permanently transferred from the Audit to the Accounts Department of the said Railways are paid the allowance while posted at Calcutta; and (iv) the gazetted officers of the Accounts Department are paid all the allowances while stationed at Calcutta which the Audit Department officers are paid?

(c) Is it a fact that the Accountants stationed at Kancharapara on the Eastern Bengal Railway and at Asansol, Dinapore, Allahabad, Lucknow, Moradabad and Jamalpur on the East Indian Railway are paid the same scales of pay as those stationed at Calcutta? If so, is the cost of living—especially rent of accommodation—at former stations lower, equivalent or higher than the latter station?

(d) If the replies to parts (a) to (c) be in the affirmative, will Government please state:

(i) whether it is a fact that the affected staff applied for the allowances more than once but their applications were rejected on the plea that the Accounts Department had been localised;

(ii) whether they propose to compensate the affected staff against the higher rent of accommodation at Calcutta; if not, why not;

(iii) whether they propose to withdraw the allowances paid to gazetted officers at Calcutta; if not, why not;

(iv) the concise reasons for differential treatment; and

(v) when they propose to do away with the differential treatment; if not, why not?

Mr. P. R. Rau: (a) Accountants on the old scales of pay are not granted any compensatory allowance.

(b). (i). Yes

(ii) The Honourable Member is referred to the reply to parts (a) and (b) of his question No. 543.

(iii) and (iv). Yes.

(c) The reply to the first part of the question is in the affirmative. With regard to the second part, as far as Government are aware, the cost of living is not as high at the stations mentioned as at Calcutta.

(d). (i). The applications were rejected on the ground that the scales of pay were local.

(ii) No. The old scales of pay for accountants were worked out with reference to the average cost of living at the various places to which they are likely to be posted from time to time. No compensatory allowance is, therefore, granted at Calcutta.

(iii) No, because the conditions to meet which the allowances were sanctioned have not altered.

(iv) and (v). Government do not consider that there is any differential treatment.

ALLEGATIONS AGAINST ONE MR. A. CAMERON KERR AND ONE MR. E. DE BEAUFORT OF THE EAST INDIAN RAILWAY TRAFFIC ACCOUNTS OFFICE AT HOWRAH.

545. **Dr. N. B. Khare:** (a) Are Government aware that Mr. A. Cameron Kerr and Mr. E. de Beaufort of the East Indian Railway Traffic Accounts Office at Howrah every day distribute literature of their faith and compel the members of other faiths to read and repeat them before them, failing which they are punished?

(b) Is it a fact that their chief duty is to preach sermons to non-Christians at the working expense of the Railway?

(c) Is it a fact that during, before and after Christmas they have called one by one every non-Christian of the establishment under them and preached the sermons and distributed the literature bearing the rubber stamp impression of "Traffic Accounts Office, E. I. Ry. Howrah"?

(d) Are Government aware that the following religious tracts are an indication of their duties, activities and devotion?

(i) Rules for Daily Life, (ii) A Great Certainty, (iii) the Great Necessity, (iv) the Gospels Message, (v) A present Blessing, (vi) What God Proclaims, (vii) God's Way of Salvation, (viii) Advocate or Judge? (ix) The Anchor Holds (x) Salvation by Substitution, (xi) Is the Bible True? (xii) Does Death End All.

(e) If the replies to parts (a) to (d) be in the affirmative, will Government please state:

(i) what justification the Financial Commissioner for Railways had to separate the personnel matters of the Establishment of the Traffic Accounts Office from the General Establishment of the Chief Accounts Office;

(ii) whether Mr. E. de Beaufort's appointment as Accounts Officer was made through a competitive examination as referred to in paragraph 2 of Railway Board's No. 5565-F., dated the 31st July, 1929, and if so, when the examination was held and with what result, and if not, why not; and

(iii) whether Government propose to order an inquiry into their conduct under the Public Servants Enquiry Act of 1850; if not, why not?

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

(d) The question is not understood.

(e) Does not arise

POWERS OF THE CONTROLLER OF RAILWAY ACCOUNTS NOT TO GRANT THE OLD SCALES OF PAY TO EMPLOYEES WHO ELECTED THE OPTION TO REMAIN UNDER OLD SCALES OF PAY.

546. **Dr. N. B. Khare:** Will Government please state the rule made under section 96-B of the Government of India Act which empowers the Controller of Railway Accounts not to grant the old scales of pay to employees who elected the option to remain under old scales of pay (*vide*, No. 257-C.R.A.-Estt.-33-1 of 29th March, 1934)?

Mr. P. R. Rau: The decision of the Controller of Railway Accounts contained in his letter referred to by the Honourable Member was based on the orders of the Railway Board passed in 1926 under which the right of retaining their old rates of pay was allowed to the old Oudh and Rohilkund Railway staff in their substantive grades only.

SENIORITY OF EAST INDIAN RAILWAY AND OLD OUDH AND ROHILKUND RAILWAY STAFF.

547. **Dr. N. B. Khare:** With reference to the Agent, East Indian Railway's Report laid on the table on the 21st January, 1935, in answer to starred question No. 633 asked in this House on the 20th August, 1934, will Government please state the policy in respect of seniority of East Indian Railway (Company-management) and old Oudh and Rohilkund Railway (State-management) and East Indian Railway (on and after amalgamation) staff other than Engineering or technical staff?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

STATION MASTERS' EXAMINATION IN THE MORADABAD DIVISION, EAST INDIAN RAILWAY.

548. **Dr. N. B. Khare:** With reference to the Agent, East Indian Railway's Report, as laid on the table on the 21st January, 1935, in answer to part (iii) of starred question No. 896 asked in this House on the 30th August, 1934, regarding Station Masters' examination in the Moradabad Division, East Indian Railway, will Government please state:

(a) the number out of total strength of Station Masters and Inspectors respectively who are holding posts as such but have not passed the Goods Accounts Examination;

(b) the date from which the Goods Accounts Examination was introduced on the old Oudh and Rohilkhand Railway;

(c) what was the policy and procedure of appointing Station Masters and Inspectors respectively before the introduction of the Goods Accounts Examination;

(d) the date on which the Station Masters' Examination is not considered equivalent to the Goods Accounts Examination on the old Oudh and Rohilkhand Railway; and

(e) whether it is a fact that the staff of the East Indian Railway Company taken over by the Government are exempted from passing those examinations which were not operative on the Company Section; if so, why the same privileges are not given to the staff on the old Oudh and Rohilkhand Railway and the reason for differential treatment?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

DIFFERENCE BETWEEN CERTAIN ALLOWANCES ON STATE RAILWAYS.

549. **Dr. N. B. Khare:** Will Government please state the substantial difference between an *ex-gratia* grant of an allowance by His Excellency the Governor General in Council and an allowance permissible under the ordinary rules and regulations applicable to State Railways?

Mr. P. R. Rau: The first is an allowance not permissible under the general rules, but allowed as a special case purely as a matter of grace.

RULES GIVING THE INDIAN RAILWAY CONFERENCE ASSOCIATION THE AUTHORITY TO REGULATE THE CONDUCT AND PRIVILEGES OF THE SERVICES UNDER THE CROWN.

550. **Dr. N. B. Khare:** Will Government please state the rule made under section 96-B of the Government of India Act which vests the power in Indian Railway Conference Association to regulate the conduct and privileges of the services under the Crown?

The Honourable Sir Muhammad Zafrullah Khan: Indian Railway Conference Association do not regulate the conduct and privileges of the services under the Crown.

RULES GIVING THE INDIAN RAILWAY CONFERENCE ASSOCIATION THE AUTHORITY TO EXERCISE CONTROL UPON THE SERVANTS OF THE CROWN IN RESPECT OF PERSONAL MATTERS.

551. **Dr. N. B. Khare:** Will Government please state the rule made under section 96-B of the Government of India Act which vests in the Indian Railway Conference Association the authority to exercise control upon the servants of the Crown in respect of personal matters?

The Honourable Sir Muhammad Zafrullah Khan: Indian Railway Conference Association do not exercise authority on the servants of the Crown in respect of personal matters.

PERSONNEL ORGANISATION ON STATE RAILWAYS AND THE ACTIONS TAKEN THEREON BY THE RAILWAY BOARD.

552. **Dr. N. B. Khare:** Will Government please state the opinion and recommendation made in the reports of Mr. Haseltine and of Mr. Pope on the question of personnel organisation on Indian State Railways and the actions taken thereon by the Railway Board?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

RELATIONSHIP OF THE GOVERNMENT OF INDIA WITH THE RAILWAY BOARD.

553. **Dr. N. B. Khare:** With reference to the Honourable Sir Frank Noyce's reply to a supplementary question to starred question No. 167 asked on the 12th February, 1935, will Government please state:

(a) the relationship of the Government of India with the Railway Board;

(b) whether the Railway Board like the Home, Legislative, Legislative Assembly, Foreign and Political, Finance, Defence, Education, Health and Lands, Industries and Labour Departments is a Department of the Government of India; if so, how a complaint to the Railway Board is not a complaint to the Government of India; and

(c) the procedure on receipt of a complaint by the Government of India against Railway Administrations?

The Honourable Sir Muhammad Zafrullah Khan: (a) The Railway Board is a body subordinate to the Government of India in the Railway Department, consisting of three Members, the Chief Commissioner, Railways, the Financial Commissioner, Railways and one other Member.

(b) The reply to the first part of the question is in the negative. The latter part does not arise.

(c) Any complaint, addressed to the Chief Commissioner of Railways, who is the Secretary to the Government of India in the Railway Department, is treated as a complaint to the Government of India.

REVENUES FROM AND EXPENDITURE ON THE CENTRAL AND LOCAL PUBLICITY OFFICES, RESPECTIVELY, ON STATE RAILWAYS.

554. **Dr. N. B. Khare:** Will Government please lay a comparative statement of Revenues from and Expenditure on the Central and Local Publicity Offices, respectively on the Indian State Railways from the period it is available?

Mr. P. R. Rau: The information is being collected.

SELECTION BOARDS ON THE EAST INDIAN RAILWAY.

555. **Dr. N. B. Khare:** With reference to the answer given to starred question No. 200 asked in this House on the 13th February, 1935, regarding Selection Boards on the East Indian Railway, will Government please lay on the table a comparative statement of appointments made from 1st March, 1931, to 31st January, 1936, including lower gazetted staff to selection posts from the staff of non-selection posts?

The Honourable Sir Muhammad Zafrullah Khan: The information is not readily available and Government do not consider that the labour and expense involved in collecting it will be commensurate with the results likely to be obtained.

DISCHARGES AND DISMISSALS ON STATE RAILWAYS.

556. **Dr. N. B. Khare:** Will Government please lay on the table a comparative statement of the discharges and dismissals on the State Railways since the introduction of the rules regulating the dismissal and discharge of State Railway non-gazetted Government servants in 1930, stating the causes of discharges and dismissals as permissible by the said rules and as per term of agreement together with the designations of the authority who passed the order of discharge or dismissal respectively administrationwise?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider that the labour and expense involved in collecting it will be commensurate with the results likely to be obtained.

RESERVATION IN CENTRAL DEPARTMENTS OF THE PERCENTAGE OF APPOINTMENTS COMMUNITYWISE.

557. **Dr. N. B. Khare:** Will Government please lay on the table a statement showing the results of the function of the officers appointed to give effect to Home Department Resolution regarding reservation in Central Departments of the percentage of appointments communitywise?

The Honourable Sir Henry Craik: I would invite the attention of the Honourable Member to my reply to part (c) of Maulvi Syed Murtaza Sahib Bahadur's starred question No. 1259 on the 16th March, 1936.

RESERVATION OF THE POSTS OF INSPECTORS ON THE EAST INDIAN RAILWAY FOR THE ANGLO-INDIAN OR EUROPEAN COMMUNITY.

558. **Dr. N. B. Khare:** Is it a fact that the posts of Inspectors on the East Indian Railway are reserved for the Anglo-Indian or European community and are preponderated by that community? If not, will Government please lay on the table a statement showing communitywise such posts vacated and persons appointed to vacant posts since the Home Department Resolution, regarding percentage of appointments by community was brought into force and the persons eligible for such appointments?

The Honourable Sir Muhammad Zafrullah Khan: No posts of inspectors on the East Indian Railway are reserved for members of any particular community although it is a fact that Europeans and Anglo-Indians hold these posts in large numbers. These posts are generally filled by promotion and not by direct recruitment and are not, therefore, subject to communal considerations. The latter part of the question does not arise.

RECRUITMENTS OR APPOINTMENTS TO RAILWAY SERVICES, CLASSES I AND II, AND LOWER GAZETTED SERVICE.

559. **Dr. N. B. Khare:** Is it a fact that recruitments or appointments to Railway Services, Classes I and II, and lower gazetted service are made through the Public Service Commission?

The Honourable Sir Muhammad Zafrullah Khan: Recruitment to Railway Services, Class I, only is made through the Public Service Commission.

INDIAN RAILWAY CONFERENCE ASSOCIATION.

560. **Dr. N. B. Khare:** With reference to the reply to part (c) of starred question No. 464, asked in this House on the 22nd February, 1935, regarding Indian Railway Conference Association, will Government please lay on the table a copy of the notification or authority appointing the Association to frame regulations and act as a Board of Conciliation as required by Chapters V and VI of the Indian Railways Act?

The Honourable Sir Muhammad Zafrullah Khan: I am unable to find anything in Chapters V and VI of the Indian Railways Act requiring the issue of a notification or sanction to enable the Association to frame regulations and act as a Board of Conciliation.

POWER TO PASS AN ORDER OF DISCHARGE BY A SENIOR SCALE OFFICER ON STATE RAILWAYS.

561. **Dr. N. B. Khare:** With reference to the reply to starred question No. 555, asked in this House on the 26th February, 1935, regarding power to pass an order of discharge by a senior scale officer on State Railways, will Government please lay on the table copies of the notifications or authoritly through which the Agents of State Railways have delegated the powers to senior scale or junior scale or lower gazetted or subordinate officers to pass an order of discharge or dismissal on a non-gazetted railway servant?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

DISMISSAL OR DISCHARGE OF AN EMPLOYEE BY A SENIOR SCALE OR ADMINISTRATIVE OFFICER ON STATE RAILWAYS.

562. **Dr. N. B. Khare:** With reference to the reply to starred question No. 558, asked in this House on the 26th February, 1935, regarding dismissal or discharge of an employee by a senior scale or administrative officer on State Railways, will Government please state:

(a) the authority empowered to operate the terms of service agreement;

(b) the term of the service agreement which permit or provide delegation of power by the Railway Administration;

(c) whether the delegation in all these State Railways is equal, or there is any difference; and

(d) the rule which governs the termination of service as per term of agreement without observing the rules of dismissal and discharge?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

LETTER PUBLISHED IN THE *HINDUSTAN TIMES* ENTITLED "PENSION AND COMMUTATION".

563. **Dr. N. B. Khare:** (a) Has the attention of Government been drawn to the letter printed in the *Hindustan Times*, dated the 7th July, 1935, regarding "Pension and Commutation", written by one Sham Sundar, a Government pensioner?

(b) If the reply to part (a) be in the negative, are Government prepared to take action on it now?

(c) Are Government aware that the Ceylon Government has fixed a period of commutation up to ten years, after which period it is automatically dissolved and the pensioner's pension is restored to the original sum?

(d) If the reply to part (c) be in the affirmative, are Government prepared to fix the same period of commutation? If not, why not?

The Honourable Sir James Grigg: (a) Yes.

(b), (c) and (d). I would refer the Honourable Member to the reply given by my predecessor on the floor of this House on the 23rd November, 1933, to starred question No. 1127 by Mr. Gaya Prasad Singh.

PROCEDURE IN REGARD TO THE CONVENING OF SELECTION BOARDS ON THE HOWRAH DIVISION OF THE EAST INDIAN RAILWAY.

564. **Mr. Amarendra Nath Chattopadhyaya:** (a) Will Government please state the procedure in regard to the convening of Selection Boards on the Howrah Division of the East Indian Railway?

(b) What is the procedure when candidates who are summoned to appear before a Selection Board do not turn up on that date?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

JOB ANALYSIS CARRIED ON ON THE EAST INDIAN RAILWAY.

565. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that Job Analysis is still being carried on on the East Indian Railway? If so, will Government please state:

(i) whether the Deputy Agent, Organisation, is in charge;

(ii) whether the gazetted officers who have worked as Deputy Agent, Organisation, have been recruited from the Engineering and Mechanical branches; if so, whether this post has been earmarked for those branches; and

(iii) whether junior gazetted and non-gazetted staff have been selected for the section?

(b) Is it a fact that the majority of the recommendations have emanated from the Divisions and not from the Job Analysis sections? If so, what useful purpose is served in keeping this temporary section going?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(i) and (iii). Yes.

(ii) The reply to the first part is in the affirmative and to the latter part in the negative.

(b) The reply to the first part is in the negative. As regards the latter part I would invite the Honourable Member's attention to paragraph 12 of the "Report by the Railway Board on Indian Railways for 1934-35" which shows the economies effected by this organisation.

DATES OF THE MOVE OF THE GOVERNMENT OF INDIA TO SIMLA.

566. **Sardar Sant Singh:** (a) Will the Honourable the Home Member please state whether the dates of the move of the Government of India have not yet been decided upon?

(b) Is it a fact that the various branches of Army Headquarters have already fixed the dates of their move to Simla and intend to move between the 10th and 18th April, 1936?

(c) If the facts stated in parts (a) and (b) be correct, how is it that the Army Headquarters fix the dates of their move before the Government of India have issued any orders in the matter?

(d) Is it not a fact that in the past the Army Headquarters have moved to Simla after the Civil Secretariat and cannot this practice be adhered to this year?

(e) Is it a fact that this year the Government of India will move late consequent on the State departure of His Excellency the Viceroy and the State arrival of the new Governor General?

Mr. G. R. F. Tottenham: (a) The dates for the move of the Government of India have been announced.

(b) Army Headquarters will move between the 15th and the 18th.

(c) The dates for the move of Army Headquarters are fixed under the orders of the Government of India in accordance with administrative convenience.

(d) No. Army Headquarters generally move to Simla before the Civil Secretariat.

(e) The late move of the Government of India is largely due to the prolonged Session of the Legislature.

COMMUNAL ROTATION IN THE BOMBAY POSTAL CIRCLE IN THE MATTER OF PROMOTIONS OF INFERIOR SERVANTS.

567. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that the Government of India, while issuing orders regarding communal recruitment, have clearly laid down that those orders apply only in the cases of fresh recruitment and that they do not apply to promotions from one cadre to another;

(b) whether those orders do not contemplate communal rotation for inferior servants and that the Postal Department has laid down orders that communal rotation should be followed in the case of inferior servants also;

(c) whether it is a fact that the Postmaster General, Bombay, has ordered that permanent officials in the cadre of inferior servants for the purpose of promotion to superior service should be considered as fresh recruit, making thereby the communal rotation applicable to them even in the case of their promotion; and if so, why?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The position is not exactly as stated by the Honourable Member. The general orders regarding communal recruitment do contemplate that they may be made applicable to any particular class of inferior servants regarding whom special orders to that effect are issued. In the Postal Department a special order has been issued applying the general orders regarding the communal recruitment also to inferior servants other than mail runners and menials paid from contingencies.

(c) Yes, but I may inform the Honourable Member that the Postmaster-General's order in question was issued before the issue of the special orders just mentioned and has, therefore, now been superseded by the latter order. The last part of the question does not, therefore, arise.

REMOVAL OF THE BAN ON CONFIRMATION IN THE CASE OF THE POSTS AND TELEGRAPHS DEPARTMENT IN THE BOMBAY CIRCLE.

568. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether the ban on confirmation issued by them has been removed in the case of the Posts and Telegraphs Department in the Bombay Circle;

(b) whether the Postmaster General, Bombay, has once again issued orders imposing a fresh ban on confirmation, and if so, the date of such an order; and

(c) whether the Director-General, Posts and Telegraphs, proposes to issue instructions to remove this ban forthwith and avoid hardship to the staff who are being asked to work on provisional basis without confirmation; if not, why not?

The Honourable Sir Frank Noyce: (a) The ban on confirmation which formed part of the measures taken to meet the adverse financial situation was removed on the 1st April, 1935, in the case of the Posts and Telegraphs Department in all Circles including the Bombay Circle.

(b) The Postmaster-General, Bombay Circle, has only ordered that no vacancy to which the new communal orders apply should be filled permanently until the percentages of vacancies to be reserved in each recruiting unit for the different minority communities have been finally fixed. The date of issue of the Postmaster-General's order is 23rd September, 1935.

(c) The removal of the restriction mentioned in the reply to part (b) is, as stated therein, dependent upon the issue of the final orders fixing the reserved percentages for the different minority communities in the different recruiting units. These orders are expected to be issued very shortly. The last part of the question does not, therefore, arise.

CONTRACT FOR CONVEYING MAILS BY THE KONKAN FERRY STEAMSHIPS WITH THE BOMBAY STEAM NAVIGATION COMPANY, LTD.

569. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that the contract of conveying mails by Konkan ferry steamships with the Bombay Steam Navigation Company, Ltd., ends by the 1st October, 1936;

(b) whether the steamship company has persistently refused to allow the mails to be landed at all the ports where the steamer touches without reference to subsidy; and

(c) whether in the case of Railways, where similar reserved accommodation is given, no additional subsidy is demanded by them if the Post Office takes advantage of any additional halt introduced by the Railways for its own convenience to facilitate the disposal of mails?

The Honourable Sir Frank Noyce: (a) No. The contract expires on the 31st May, 1936.

(b) The Company has not refused to allow mails to be landed at ports where it is bound to call regularly under the terms of the contract. The question of landing mails at other ports where the steamer may call occasionally and irregularly does not arise nor has the Company asked for additional payment for allowing the landing of mails at ports not included in the contract as ports of call.

(c) No payment in addition to usual haulage charges is made to Railways in the circumstances postulated by the Honourable Member but, as he will see from the reply to part (b), the circumstances are entirely different.

CONTRACT FOR CONVEYING MAILS BY THE KONKAN FERRY STEAMSHIPS WITH THE BOMBAY STEAM NAVIGATION COMPANY, LTD.

570. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether the Vijaydurg Mail steamer of the Bombay Steam Navigation Company Ltd., has been consistently calling at the Dabhol and Jaygad ports, except in case of stormy weather;

(b) whether the said steamship company has no other steamship which touches Jaygad except the Vijaydurg Mail steamer referred to above; and

(c) if the Bombay Steam Navigation Company Ltd., does not agree to allow the Post Office to take advantage of their mail steamer calling at Dabhol and Jaygad, whether Government propose in the alternative to consider the question of utilising the existing railway and mail motor lines and do away with the contract with the said Steamship Company altogether, or else find out whether the other steamship companies would not be prepared to take up the work?

The Honourable Sir Frank Noyce: (a) Yes, but the company reserves the right to omit Dabhol on this run for other reasons than stormy weather.

(b) No.

(c) The suggestion made by the Honourable Member will be considered in connection with the tenders which will be shortly called for in connection with the Bombay-Vijayadurg mail steamer service.

OLD EAST INDIAN RAILWAY LEAVE RULES FOR THE STAFF EMPLOYED IN EAST INDIAN RAILWAY SCHOOLS.

571. **Mr. N. M. Joshi:** (a) Is it a fact that in May 1935 the Railway Board decided that the staff employed in East Indian Railway schools be treated as railway servants in all respects and should be subject to the same rules of discipline and control as the rest of the railway staff and in regard to leave such staff should be subject to the Revised State Railway Rules, promulgated with the Railway Department Resolution No. 8373-E., dated the 20th February, 1930, modified in the manner indicated in the enclosure to their letter dated the 11th May, 1935?

(b) Is it a fact that the enclosure referred to above contains an addenda to the Leave Rules and creates a new department of railway service called the vacation department?

(c) Is it a fact that the Revised State Railway Leave Rules are a modification of the Fundamental Rules to suit the exigencies of Railway service?

(d) Is it a fact that in the Fundamental Rules there is section 81 governing the vacation departments of Government service?

(e) Is it a fact that in the addenda issued by the Railway Board in 1935, the limits of leave permitted in their vacation department are far less than those allowed in the Fundamental Rules?

(f) Is it a fact that in the addenda to State Railway Rules issued in May, 1935, in the case of those who enjoy vacation leave has been reduced to nil?

(g) Is it a fact that in the addenda to State Railway Rules, issued in May, 1935, there is absolutely no provision similar to that made in Fundamental Rule 82 for leave in case of sickness and on medical certificate?

(h) Is it a fact that vacations in schools are allowed at fixed times in consonance with the rules of the educational department?

(i) Is it a fact that the staff employed in East Indian Railway schools have occasionally to take leave on medical certificate when there are no vacations in the schools?

(j) Is it a fact that according to the rules now in force there is absolutely no provision for leave on full average pay on medical certificate and the staff are allowed leave on half pay or without pay?

(k) Is it a fact that no rebate has been allowed to staff employed in railway schools for previous service in the rules enforced in May, 1935?

(l) Is it also a fact that the rules framed in 1935 have been enforced with retrospective effect?

(m) Is it a fact that the Oakgrove School at Jharipani for Europeans and Anglo-Indians has been exempted from these rules and staff employed therein still enjoy the old East Indian Railway Leave Rules? If so, why has this discrimination been made between Indian and Anglo-Indian or European staff?

(n) Do Government propose to take steps to remove the hardship involved by the omission of provision for leave on average pay on medical certificate and provide a saving clause in the rules framed in May, 1935, corresponding to the Fundamental Rule No. 82?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

APPOINTMENT, DISCHARGE AND DISMISSAL OF THE STAFF IN THE EAST INDIAN RAILWAY SCHOOLS.

572. **Mr. N. M. Joshi:** (a) Is it a fact that in May, 1935, the Railway Board decided that all East Indian Railway Schools should be managed directly by the Railway administration and should for this purpose be placed under the control of Divisional Superintendents who should in future exercise powers regarding appointments, discharge and dismissal, etc., of the staff employed in these schools and that the staff should have a right of appeal to the authority next above to that passing orders, subject to the provision of the rules regulating the discharge and dismissal of State Railway non-gazetted government servants?

(b) Is it a fact that the East Indian Railway administration, in applying the above decision of the Railway Board, have ruled that the Divisional Superintendent is to act through an Executive Officer and he is to appoint, discharge and dismiss all staff employed in the school under his charge and all appeals against the order of the Executive Officer will lie with the Divisional Superintendent only?

(c) Is it a fact that, even prior to the decision of the Railway Board, these schools were managed by and through executive officers?

(d) Is it a fact that the Railway Board had arrived at their decision of May, 1935, consequent on the adverse criticism of the management and insecurity of service obtained in the East Indian Railway Schools?

(e) Do Government propose to enquire why the East Indian Railway administration have gone against the decision of the Railway Board and vested the power of appointment, discharge and dismissal in executive officers, instead of Divisional Superintendents themselves and deprived the staff of the right to appeal to the Agent—the authority next above to the Divisional Superintendents?

(f) Are Government aware that the executive officers are Railway officers, having no contact with educational matters?

(g) Is it a fact that headmasters have sometimes to differ from executive officers in opinions regarding the actual day to day administration?

(h) Are Government aware that headmasters of all Government schools under Provincial Government are gazetted officers in the provincial educational services of the provinces concerned?

(i) Are Government aware that headmasters of Provincial Government schools, are not even punishable by the Divisional Inspectors of Schools, though they are directly subordinate to and responsible to the latter?

(j) Do headmasters of East Indian Railway Schools enjoy the same powers and scales of pay as headmasters of Government schools of the provinces in which they are situated? If so, will Government be pleased to state whether they propose to place them directly under the Divisional Superintendents, but dischargeable and dismissable only by the Agent with a right of appeal to the Railway Board?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

GAZETTED RANK FOR THE FOUR HEADMASTERS OF THE EAST INDIAN RAILWAY INDIAN HIGH SCHOOLS.

573. **Mr. N. M. Joshi:** (a) Is it a fact that the Railway Board, in the Government of India Gazette, dated the 11th January, 1936, gazetted the following as honorary gazetted officers on the East Indian Railway?

1. the headmaster of the Oakgrove School, Jharipani, for Europeans and Anglo-Indians;
2. the first assistant master of the same school;
3. the headmistress of the girls department of the same school;
4. the headmistress of the junior department of the same school; and
5. the headmaster of the Asansol H. E. School.

(b) On what principles were these officers gazetted as officers?

(c) Is it a fact that in the Oakgrove School for Europeans and Anglo-Indians there are now, besides the Principal, four (two men and two women) gazetted officers working as headmasters, assistant masters and mistresses, etc.?

(d) Is it a fact that the four headmasters of East Indian Railway High Schools for Indians have been given the powers and scales of pay enjoyed by headmasters of the Government schools of the provinces in which their schools are situated, and have not been given the same status or the status afforded to the headmaster, first assistant master or the headmistresses of the junior departments of the Oakgrove School for Europeans and Anglo-Indians?

(e) Will Government please state whether they propose to consider the case of the four headmasters of the Indian High Schools and give them also the same rank as gazetted officers?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

INCONVENIENCE OF CERTAIN CABIN STAFF ON THE GREAT INDIAN PENINSULA RAILWAY.

574. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) if it is a fact that certain cabins on the Great Indian Peninsula Railway, such as Kurla 'H', Kurla 'J', Kalyan 'A', Kalyan 'E', Rawli, etc., are far away from stations and that there is no suitable conveyance for the cabin-staff working at these cabins,

(b) if it is a fact that for the convenience of these cabinmen certain trains used to stop at the cabins to carry the cabin staff from and to the stations;

(c) if it is a fact that this practice is now stopped;

(d) if the answer to part (a) above be in the affirmative, whether it is not a fact that, as a result, these cabinmen are put to great hardship, especially in rainy season, due to the fact that there is no conveyance, whatsoever, between the cabins and the stations and that there is every danger from snakes, thieves, etc., as these cabins are situated in solitary places; and

(e) whether Government are prepared to revive the old practice of carrying the cabin staff on the trains; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider any useful purpose will be served by collecting it. These are matters of detailed administration entirely within the competence of the Agent to decide, to whom a copy of the question has been sent for information and such action as he may consider necessary.

SUPPLY OF NECESSARY UNIFORMS FOR A CABINMAN OFFICIATING AS A GUARD ON THE GREAT INDIAN PENINSULA RAILWAY.

575. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that when a cabinman or other employee on the Great Indian Peninsula Railway officiates as a guard for less than two months, he is not eligible for 'good conduct money' for the period he so officiates and therefore he cannot equip himself with the necessary uniform;

(b) the total number of such officiating guards, who were paid the good conduct money, and the number of those who were not so paid for the year 1935-36;

(c) whether there is no arrangement for supplying rain coats to staff officiating as guards, on the Great Indian Peninsula Railway;

(d) whether these rain coats are *essential* for these officiating guards; and

(e) if so, whether they propose to make necessary arrangements to equip these guards with rain coats; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

DIFFERENTIAL TREATMENT IN RESPECT OF WORKING OF CERTAIN CABINMEN AND LEVERMEN ON THE GREAT INDIAN PENINSULA RAILWAY.

576. **Mr. N. M. Joshi:** (a) Is it a fact that at all the stations in the Bombay Division on the Great Indian Peninsula Railway, excepting Umarmali and Atgaon, levermen work for the same number of hours as cabinmen in the same cabins?

(b) If so, why are Umarmali and Atgaon, where cabinmen work for only eight hours and levermen for 12 hours, being treated differently in this respect?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

CLASSIFICATION OF TICKET COLLECTORS AT MANMAD ON THE GREAT INDIAN PENINSULA RAILWAY AS "INTERMITTENT WORKERS".

577. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether the Ticket Collectors at Manmad on the Great Indian Peninsula Railway were classified as "Continuous Workers" till 1934;

(b) whether they are now re-classified as "Intermittent Workers";

(c) whether the Labour Supervisor recently recommended that these Ticket Collectors should be classified as "Continuous Workers" and not as "Intermittent Workers";

(d) the reasons why the recommendation of the Labour Supervisor was not given effect to; and

(e) whether it is a fact that the pressure of work on these Ticket Collectors is heavier at present, due to the fact, that their number has been reduced from 21 to 15 since 1934 and that there is no decrease in the number of trains to be dealt with?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

CLASSIFICATION OF GATEMEN WORKING AT UMARMALI ON THE GREAT INDIAN PENINSULA RAILWAY AS "INTERMITTENT WORKERS".

578. **Mr. N. M. Joshi:** Will Governmnent be pleased to state whether the gatemen working at Umarmali on the Great Indian Peninsula Railway

have been classified as "Intermittent Workers" and that the Labour Supervisor has recommended that they should be classified as "Continuous Workers"? If so, why has this recommendation not been given effect to?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

INCREASE IN THE PAY OF THE INFERIOR SERVANTS WORKING NEAR IGATPURI ON THE GREAT INDIAN PENINSULA RAILWAY.

579. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether the inferior servants at Igatpuri on the Great Indian Peninsula Railway get higher pay than those working in places near Igatpuri, because the standard of living in Igatpuri is higher;

(b) whether the inferior servants working in these places near Igatpuri are required to purchase their food-stuff, etc., at Igatpuri, and whether they are supplied with Provision Passes by the Administration for this purpose; and

(c) if the answer to part (b) be in the affirmative, whether they are prepared to raise the pay of these inferior servants in these places; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider the expense and trouble involved in collecting it will be commensurate with the results likely to be obtained. These are matters of detailed administration entirely within the competence of the Agent to decide and a copy of the question has been sent to him for information and such action as he may consider necessary.

RATERS EMPLOYED AT FORWARDING SIDE AT WADI BUNDER GOODS DEPOT ON THE GREAT INDIAN PENINSULA RAILWAY.

580. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) the number of raters employed at Forwarding Side at Wadi-Bunder Goods Depot on the Great Indian Peninsula Railway;

(b) the total number of consignments for the years 1920, 1924, 1928, 1932, and 1936;

(c) the number of grades and the number of employees in each of these grades, working at Wadi-Bunder Goods Depot on the Great Indian Peninsula Railway, for the years 1924, 1928, 1932, and 1936;

(d) whether it is a fact that there were five in-charge raters at Forwarding Side of the Wadi-Bunder Goods Depot on the Great Indian Peninsula Railway formerly;

(e) whether it is a fact that the number of these in-charge raters has been reduced by one;

(f) whether it is a fact that the pressure of work to be done by each of these in-charge raters has become heavier due to this reduction;

(g) whether it is a fact that at the time of the Court of Enquiry, the contention of the Administration and the Railway Board was that the conditions of work would not be made worse due to retrenchment; and

(h) if the answer to part (d) be in the affirmative, whether the above reduction in the number of in-charge raters is not contrary to the principles stated before the Court of Enquiry?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (f). Government have no information. These are matters of detailed administration in which full powers have been delegated and Government are not prepared to interfere.

(g) Government have no information.

(h) Government have no reason to believe that the number of raters referred to has been reduced without justification. I am, however, sending a copy of this question to the Agent, Great Indian Peninsula Railway, for such action as he may consider necessary.

SPECIAL PAY FOR NON-OPERATIVE TELEGRAPHISTS FOR DOING SOME SUPERVISORY DUTIES NOT REQUIRING ANY TECHNICAL ABILITY.

581. **Sardar Sant Singh:** (a) Is it a fact that a special pay was provided in paragraph 99 (ii) of the Manual of Appointments and Allowances of the Indian Posts and Telegraphs Department, as it was originally worded, for non-operative telegraphists for doing some supervisory duties not requiring any technical ability? If so, why was the special pay provided?

(b) Is it a fact that the non-operative telegraphists mentioned in part (a) are being replaced by clerks?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government be pleased to state whether they will grant the special pay to the clerks now doing the same duties? If not, why not?

(d) Is it a fact that Government maintain that the basis of the allowance for the non-operative duties of telegraphists referred to above is compensatory? If so, will Government be pleased to state how?

(e) Is it a fact that the signalling allowance of telegraphists is their pie-money?

(f) Is it a fact that all telegraph lines are not pie-money lines and all telegraphists cannot score and earn pie-money even if they wish?

(g) Is it a fact that many of the telegraphists, employed on non-operative duties on an allowance, were very senior men?

(h) Is it a fact all telegraphists employed on non-operative duties were granted allowance?

(i) If the replies to parts (e), (f) and (g) be in the affirmative, will Government be pleased to state why all telegraphists employed on non-operative duty were given an allowance?

The Honourable Sir Frank Noyce: (a) The facts in the first part of the question are substantially as stated by the Honourable Member, but I would point out that the rule referred to is obsolete. As regards the second part the allowance was granted to telegraphists employed on such duties, in order to compensate them for the loss of chances of earning pie money and overtime.

(b) Yes.

(c) Does not arise.

(d) Yes. The grounds for maintaining that the allowance was compensatory are given in the answer to the second part of the question at (a).

(e) No. Pie money is an allowance granted to telegraphists for disposing of traffic in excess of certain fixed standards.

(f) Yes.

(g) No.

(h) No.

(i) Does not arise.

CONVERSION OF DEPARTMENTAL TELEGRAPH OFFICES INTO COMBINED OFFICES

582. **Sardar Sant Singh:** (a) Will Government be pleased to state whether it is their policy to convert departmental telegraph offices into combined offices if this can be effected with economy and without loss of efficiency?

(b) Is it not a fact that conversion of departmental telegraph offices has resulted in greater number of cases of mutilations and of delay of traffic everywhere?

(c) Is it a fact that there were loud complaints from the public and the Chamber of Commerce soon after the conversion of Cochin departmental telegraph office?

(d) Is it not a fact that, according to new rates of pay, the pay of telegraphists and telegraph masters is almost equal to the pay of postal signallers and postal selection grade clerks respectively?

(e) Is it not a fact that conversion of departmental telegraph offices involves circuit charges, causing enormous expenditure?

(f) If the replies to parts (a) to (e) be in the affirmative, will Government be pleased to state how economy is effected and efficiency maintained by conversion of departmental telegraph offices into combined offices?

(g) Are Government prepared to reconsider the question of conversion of departmental telegraph offices and abandon their policy of conversion? If not, why not?

(h) Are Government prepared to invite the opinion of the different Chambers of Commerce of India and Burma regarding the efficiency of the departmental telegraph offices and combined offices? If not, why not?

The Honourable Sir Frank Noyce: (a) Yes, but the conversion is also subject to administrative considerations.

(b) Government have no reason to believe that the facts are as stated by the Honourable Member.

(c) No.

(d) Under the new rates of pay the difference between the scales of pay of telegraphists, and telegraph masters and of postal signallers and postal selection grade clerks, respectively, is less than under the old scales of pay.

(e) In considering the question of conversion the expenditure involved in making any circuit changes that may be necessary is not ignored. In no case can it be described as "enormous".

(f) Does not arise in view of the reply to parts (b) to (e) above.

(g) The policy of conversion as stated in reply to part (a) of the question is based on long established principles and Government see no reason to depart from it.

(h) No. If there is inefficiency anywhere the Chambers will no doubt bring the matter to the notice of Government.

COMMUNAL COMPOSITION OF CERTAIN STAFF IN THE FORMS PRESS, ALIGARH.

583. **Pandit Sri Krishna Dutta Paliwal:** Will Government please state in what respect the minorities in the Aligarh Press are in less number in the Press, and state the number of employees, all superior and inferior, by communities in the Composing Branch, Printing Branch, Bindery Branch, Sterio Branch, Mechanical Branch, separately?

The Honourable Sir Frank Noyce: A statement giving the communal composition of the staff in the Branches of the Aligarh Press named in the question is laid on the table.

Statement.

Branch.	Superior.				Inferior.			Total.
	Hindus.	Muslim.	Indian Christian.	Other Communities.	Hindus.	Muslims	Indian Christian.	
Composing	7	9	2	..	1	3	..	22
Printing	31	7	1	..	37	24	2	102
Bindery	41	38	4	..	27	24	1	135
Stereo	3	6	..	..	..	1	..	10
Mechanical	5	5	2	1	5	2	1	21
Total	87	65	9	1	70	54	4	290

ENQUIRY COMMITTEE TO INVESTIGATE INTO MATTERS IN THE FORMS PRESS, ALIGARH.

584. **Pandit Sri Krishna Dutta Paliwal:** Are Government prepared to appoint an enquiry committee to investigate all matters in the Aligarh Press?

The Honourable Sir Frank Noyce: No.

APPOINTMENT OF CIVILIAN ASSISTANT STOREKEEPERS IN EVERY FOURTH VACANCY IN THE CADRE OF B. O. R.'s.

585. **Pandit Sri Krishna Dutta Paliwal:** (a) Is it a fact that in the year 1929, it was decided to Indianise I. A. O. C. partly and to throw open every fourth vacancy in the cadre of B. O. R.'s to a civilian Assistant Store Keeper?

(b) Will Government please state if every such vacancy has since gone to a civilian Assistant Store Keeper? If not, why not?

(c) If the answer to part (b) be in the negative, has it anything to do with the new scheme of Indian Military Assistant Store Keepers? If so, does it not contravene the assurance given in writing by the Director of Ordnance Services to the association of Assistant Store Keepers and storemen that the recruitment of Military Assistant Store Keepers will not, in any way, encroach upon the proportion allotted to the civil wing?

(d) Will Government please state what led to the introduction of the military scheme over the head of the civilian scheme so soon after the introduction of the latter?

Mr. G. R. F. Tottenham: (a) Yes, but the decision was reached in 1928.

(b) No. After a trial at which they proved entirely successful, it was decided that Indian military personnel should be accepted up to 8 1/3 per cent. of the whole establishment, before more civilians were taken.

(c) A statement to the effect quoted by the Honourable Member was made by an Assistant Director of Ordnance Services, but it was made without authority.

(d) The military scheme was introduced five years after the civilian scheme because Indian Military Assistant Storekeepers proved better and cheaper than civilians.

QUALIFICATIONS DEMANDED OF THE CIVILIAN ASSISTANT STORE KEEPERS FOR APPOINTMENT IN THE CADRE OF B. O. R.'S.

586. **Pandit Sri Krishna Dutta Paliwal:** (a) Is it a fact that a much higher educational standard and family state services were demanded of the civilian Assistant Store Keepers at the time of recruitment? Has this standard been lowered in the case of Military Assistant Store Keepers?

(b) Is it a fact that direct recruitment of graduates and men of higher family status has been given up in favour of departmental promotions from storemen?

(c) Is it a fact that Indian Non-Commissioned Officer, possessing only first class educational Army certificate which is hardly equivalent to the eighth standard in the schools, have been brought into the department?

Mr. G. R. F. Tottenham: (a) The educational standard was lowered because it was found that military training produced better candidates.

(b) Direct recruitment has generally been given up in favour of departmental promotions from storemen, and of the appointment of military storekeepers.

(c) Indian Non-Commissioned officers with the first class certificate of education have been brought into the department. This certificate is certainly equivalent to the eighth standard in the schools.

KIRKEE SCHOOL EXAMINATION RESULTS OF THE B. O. R. AND ASSISTANT STORE KEEPER CLASSES.

587. **Pandit Sri Krishna Dutta Paliwal:** Will Government place on the table of this House a statement of the Kirkee school examination results of the B. O. R. and Assistant Store Keeper classes held since 1929 and the number and proportion of distinctions obtained by each class and also state if any Assistant Store Keepers have been tried as storeholders and if so, with what result?

Mr. G. R. F. Tottenham: The labour involved would be considerable and the information of little value, since the syllabus for the two courses is different. So far as Government are aware, no Assistant Store Keeper has yet been tried as a Storeholder.

ARREST AND DETENTION OF SARDAR GURUCHARAN SINGH.

588. **Sardar Sant Singh:** (a) On what date was Sardar Gurucharan Singh arrested under Regulation III of 1818, and at which places has he been confined under the same Regulation?

(b) Has any allowance been fixed for his maintenance? If not, why not?

(c) Has his case been reviewed every six months, as is done in the case of other internees under the same Regulation? If so, what are the reports of the judges who reviewed his case?

(d) Are Government aware that Sardar Gurucharan Singh has contributed towards the Silver Jubilee Fund, Delhi, and King George's Silver Jubilee Fund, London? If so, what amounts, and are Government aware that such contribution was accepted?

(e) Did Sardar Gurucharan Singh convey his respectful condolence through the Government of India on the death of His Late Majesty King George to His Majesty the present King? Has any message been received back from His Majesty the King?

(f) Is it a fact that the private property belonging to Sardar Gurucharan Singh has been taken possession of by Government? If so, why?

(g) Is it a fact that the maintenance allowance was reduced from Rs. 25,000 to Rs. 10,000? If so, when and why?

(h) Is it a fact that a deduction of Rs. 2,000 a month is being made from his allowance of Rs. 10,000 on the ground of having paid off some incumbrances on his private property? If so, how did Government reconcile the deduction of Rs. 2,000 a month with the deprivation of the ownership of the property redeemed?

Sir Aubrey Metcalfe: (a) He was arrested on 22nd February, 1928 and has since been detained at Kodaikanal.

(b) He receives a maintenance allowance of Rs. 10,000 per mensem.

(c) The reply to the first part is in the affirmative. Government are not prepared to disclose these reports which are confidential documents.

(d) Government are aware that Sardar Gurucharan Singh subscribed £100 to the King George's Jubilee Trust Fund, London, and that this contribution was accepted. They have no information regarding any contribution from him to the Silver Jubilee Fund, Delhi.

(e) Yes. An acknowledgment has been received.

(f) The answer to the first part is in the negative; the second part does not arise.

(g) I would refer the Honourable Member to the Communiqué issued on the 19th February, 1928. I lay a copy on the table.

(h) As regards the first part, the facts are that the Nabha Darbar make a deduction of Rs. 2,000 per mensem from the allowance of the ex-Maharaja towards liquidation of the amount paid by them in satisfaction of his private debts. The second part does not arise in view of my reply to part (f) of the question.

Communiqué, dated and issued on 19th February, 1928.

Under the conditions whereby Maharaja Ripudaman Singh, now known as Maharaja Gurcharan Singh, was permitted to sever his connexion with the Nabha State he undertook to remain loyal to Government: it was expressly laid down at the same time that in the event of his failing to act accordingly Government reserved the right to modify or annul the other conditions attaching to his severance from the State. From evidence in their possession the Government of India are satisfied that Maharaja Gurcharan Singh has repeatedly taken part in disloyal activities since his departure from Nabha. He has been clearly warned of the consequences which a continuance of such conduct would entail, but this warning has been without effect. The Government of India have accordingly been compelled to pass orders that he shall be deprived of the title of Maharaja and of all rights and privileges pertaining thereto, that his allowance from the Nabha State shall be reduced from Rs. 25,000 to Rs. 10,000 a month, and that he shall, until further notice, take up his residence at Kodaikanal in the Madras Presidency. His son, the Tikka Sahib, who becomes Maharaja in his stead, will be formally installed on the *gadi* of Nabha at the earliest opportunity.

LITERARY PROGRESS IN BRITISH INDIA IN CERTAIN LANGUAGES.

589. **Mr. M. S. Aney:** (a) Will Government be pleased to place on the table a statement showing the following information:

(i) the number of periodicals published in British India in each of the languages (in the years 1932-33, 1933-34 and 1934-35) English, Sanskrit, Marathi, Bengali, Hindi, Gujarati, Kanarese, Telugu and Tamil; and

(ii) the number of books classified according to subjects published in each of the above mentioned languages every year from 1921 to 1935?

(b) Do Government propose to issue a consolidated statement every year, giving the information regarding the progress of the literature in the above languages in British India?

Sir Girja Shankar Bajpai: (a), (i) and (ii). Almost all the information desired by the Honourable Member is available in the Quarterly Catalogues of Books and Periodicals published under the Press and Registration of Books Act, 1867 (Act XXV of 1867) by the various Provincial Governments in India. Copies of these Reports for 1932-33 and 1933-34 have been lent to the Library of the House, in case the Honourable Member should desire to follow up the matter. Steps will also be taken to supply the Library with copies of these catalogues in future.

(b) In view of the fact that each Provincial Government compiles quarterly lists of Books and Periodicals the Government of India do not consider it necessary to issue an annual consolidated statement such as that suggested by the Honourable Member.

RURAL CONDITION IN DELHI PROVINCE.

590. **Mr. Satya Narayan Sinha:** (a) Has the attention of Government been drawn to the statement of the General Secretary of the Delhi District Congress Committee *apropos* the statement laid by the Honourable the Home Member in reply to certain criticisms of rural condition in the Delhi Province?

(b) Will Government be pleased to state the names of the villages where new tube wells have been sunk and old ones repaired by the Local Government?

(c) Will Government be pleased to enumerate the names of the fifteen High English Schools in the rural area of Delhi referred to in the said statement?

The Honourable Sir Henry Craik: (a) I have seen the statement.

(b) I lay a statement on the table.

(c) The following fifteen Night Schools have been constructed: the reference to "High" Schools in the statement laid on the table on the 20th March was due to a typographical error.

(1) Barwala.
(2) Hauz Rani.
(3) Isapur.
(4) Khureji.
(5) Bijwasan.
(6) Badli.
(7) Narela.
(8) Munirka.
(9) Palam.
(10) Sultanpur Dibas.
(11) Bakhtawarpur.
(12) Bawana.
(13) Daryapur.
(14) Kanjhawla.
(15) Najafgarh.

Statement.

(a) List of wells of Delhi Province villages selected for immediate repairs.

Serial No.	Name of village.	Name of Zail.	Estimated cost. Rs.	Remarks.
	Wells repaired by the end of March 1936.			
1	Dindarpur	Najafgarh	75	
2	Paprawat	,,	300	
3	,,	,,	260	
4	Nangli Sakranti	,,	75	
5	,, ,,	,,	46	
6	Mitraon	,,	260	
7	Jharoda Kalan	,,	100	
8	Dichaon Kalan	,,	310	
9	Kakraula	,,	25	
10	Hauz Khas	Mehrauli	330	
11	Begampur	,,	265	
12	Kalu Serai	,,	120	
13	Shahpur Jut	,,	50	

Serial No.	Name of village.	Name of Zail.	Estimated cost.	Remarks.
			Rs.	
14	Hauz Rani	Mehrauli	180	
15	Chiragh Delhi	,,	305	
16	,, ,,	,,	200	
17	,, ,,	,,	340	
18	Khirki	,,	255	
19	,,	,,	210	
20	Rasulpur	Kanjhawla	195	
21	Ranikhera	,,	150	
22	Madanpur	,,	215	
23	Chataisar	,,	230	
24	Nilwa	,,	210	
25	Tikri Kalan	,,	150	
26	Qamardin Nagar	,,	105	
27	Punjab Khor	,,	115	
28	Bapraula	,,	75	
		Total	5,156	

Wells in process of repairs.

1	Manthaula	Najafgarh	285	
2	Chhoola	,,	75	
3	Pindwala Khurd	,,	305	
4	Katwaria Serai	Mehrauli	245	
5	Mao Serai	,,	245	
6	Jia Serai	,,	95	
		Total	1,250	

Wells for the repairs of which contracts have been given and the work is likely to be completed by the end of April, 1936.

1	Bamrauli	Najafgarh	120	
2	Dhul Siras	,,	120	
3	Ambarhia	,,	200	
4	Pochanpur	,,	55	
5	Nanak Heri	,,	75	
6	Kangan Heri	,,	270	
7	,, ,,	,,	240	
8	Badli Sara	,,	195	
9	Kikar Kari	,,	160	
10	Khirkhari Round	,,	205	
11	Pindwala Kalan	,,	265	
12	Manirka	Mehrauli	45	
13	,,	,,	75	
14	Basant Nagar	,,	220	
15	Deoli	,,	290	
		Total	2,535	

(*b*) *List of wells selected for repairs and the work of their repair will be taken in hand after April, 1936.*

Serial No.	Name of village.	Name of Zail.	Estimated cost.	Remarks.
			Rs.	
1	Puth Kalan	Nangloi	75	
2	Kirari	,,	295	
3	Nangloi Jat	,,	265	
4	,,	,,	40	
5	Nithari	,,	160	
6	Nangloi Sayyaddan	,,	305	
7	Nilauthi	,,	320	
8	Mogholpur Khurd	,,	35	
9	Tohar	,,	150	
10	Passangipur	,,	285	
11	Ranhaula	,,	100	
12	Budhela	,,	275	
13	Koshopur	,,	325	
14	Tatarpur	,,	110	
15	Rithala	,,	..	
16	Telangpur Kotla	,,	..	
17	Kapaserha	Palam	90	
18	Bindapur	,,	215	
19	Bijwasan	,,	40	
20	,,	,,	280	
21	,,	,,	310	
22	Nasirpur	,,	45	
23	Bhartal	,,	150	
24	Nawada	,,	165	
25	Shahabad	,,	165	
26	Naraina	,,	70	
27	,,	,,	40	
28	Palam	,,	40	
29	,,	,,	55	
30	,,	,,	80	
31	Nangal Raya	,,	60	
32	Dabri	,,	175	
33	Asalatpur	,,	315	
34	Selampur	Shahdara	255	
35	Khuroji	,,	115	
36	Mandauli	,,	100	
37	Garhi Mondho	,,	210	
38	Usmanpur	,,	160	
39	Ghazipur	,,	165	
40	Patparganj	,,	215	
41	,,	,,	70	
42	Jhil Khuranja	,,	265	
43	,,	,,	215	
44	Karawal Nagar	,,	95	
45	Chilla	,,	..	

Serial No.	Name of village.	Name of Zail.	Estimated cost.	Remarks.
			Rs.	
46	Kaithwara	Shahdara	..	
47	Dandasa	Issepur	310	
48	,,	,,	140	
49	Ujwa	,,	180	
50	,,	,,	310	
51	Kazipur	,,	300	
52	Bakargarh	,,	280	
53	Milakpur	,,	165	
54	Sarangpur	,,	105	
55	Mundhela Kalan	,,	350	
56	Mundhela Khurd	,,	340	
57	Jafarpur	,,	320	
58	Shamashpur	,,	250	
59	Jhuljhuli	,,	320	
60	Ghalibpur	,,	..	
61	Ghuman Hora	,,	..	
62	,,	,,	..	
63	Salahpur	Bawana	260	
64	,,	,,	230	
65	Tikri Khurd	,,	100	
66	Bohore Garh	,,	225	
67	Burajni	,,	130	
68	Lampur	,,	235	
69	Ghoga	,,	130	
70	Bawana	,,	145	
71	,,	,,	75	
72	Narela	,,	135	
73	Bankner	,,	100	
74	Bazidpur	,,	210	
75	Daryapur Kalan	,,	180	
76	Puth Khurd	,,	190	
77	,,	,,	60	
78	Sultanpur	,,	115	
79	Hulambi Kalan	,,	160	
80	Naya Bans	,,	160	
81	Khera Khurd	,,	200	
82	Katewra	,,	160	
83	,,	,,	220	
84	Auchandi	,,	..	
85	Singhaula	Alipur	145	
86	Singhru	,,	130	
87	Padipur	,,	200	
88	Burari	,,	90	
89	Garhi Bakhtawarpur	,,	160	
90	Hamidpur	,,	90	
91	Bakhtawarpur	,,	200	
92	Tegipur	,,	190	
93	Sahibabad	,,	120	
94	Siraspur	,,	..	
95	,,	,,	..	
96	Khera Kalan	,,	..	
97	Khampur	,,	..	
98	Hiranki Khurd	,,	..	
		Total	15,015	

NOTE.—The estimates of a few wells have not yet been prepared and the total estimated cost may come to Rs. 16,000.

(C) *List of villages where new wells are proposed to be sunk.*

Serial No.	Name of village.	Name of Zail.
1	Tajpur Khurd	Najafgarh.
2	Jharoda Kalan	,,
3	Jhatikra	,,
4	Mitraon	,,
5	Ladpur	Kanjhawla.
6	Gheora	,,
7	Samada	,,
8	Karala	,,
9	Shikarpur	Issepur.
10	Asalatpur	Palam.
11	Bagraula	,,
12	Nangloi Zalib	,,
13	Chandpur	,,
14	Badhanpur	,,
15	Sanoth	,,
16	Alipur	Alipur.
17	Garhi Alipur	,,
18	Garhi Khera	,,
19	Bhorepur	,,
20	Ibrahimpur	,,
21	Mohammadpur	,,
22	Zindpur	,,
23	Mukhmelpur	,,
24	Bankauli	,,
25	Begampur	Nangloi.
26	Chaukhandi	,,
27	Todapur	Delhi.

(d) *List of villages where tube wells are proposed to be fitted up.*

Serial No.	Name of village.	Name of Zail.
1	Najafgarh	Najafgarh.
2	Surakhpur	,,
3	Kakraula	,,
4	Mundka	Kanjhawla.
5	Hirankudna	,,
6	Lampur	Bawana.
7	Bazidpur	,,
8	Nangal Thakran	,,
9	Hulambi Khurd	,,
10	Jat Khor	,,
11	Mangeshpur	,,
12	Harenli	,,
13	Burari	Alipur.

Serial No.	Name of village.	Name of Zail.
14	Hiranki	Alipur.
15	Jhingaula	"
16	Barwala	"
17	Qadipur Kushak	"
18	Tajpur Kalan	"
19	Nangli Poona	"
20	Ramzanpur	"
21	Fatehpur Jat	"
22	Pahladpur	"
23	Saboli	Shahdara.
24	Taharpur	"
25	Ghonda	"
26	Manjpur	"
27	Gaonri	"
28	Shakarpur	"
29	Mandauli Fazalpur	"
30	Karkar Doma	"
31	Samaspur	"
32	Salahpur	"
33	Ghondli	"
34	Khichripur	"
35	Sherpur	"
36	Khajuri	"
37	Farkhnirpur	"
38	Dayalpur	"
39	Babarpur	"
40	Gokulpur	"
41	Wazirabad	"

HARDWAR STATION ON THE EAST INDIAN RAILWAY.

591. **Mr. Muhammad Azhar Ali:** Will Government please state:

(a) the date when Hardwar station on East Indian Railway was built, together with the cost;

(b) the date, when alterations and additions were made together with the cost for each alteration or addition;

(c) the average number of passengers per day during the first year of the opening of the Hardwar station;

(d) the average earning of the station during the first year;

(e) the average number of passengers per day during 1935;

(f) the average earning during 1935;

(g) the particulars of alterations and additions made to the station building during days of *melas* along with cost per *mela;* and

(h) the earnings of the station from *melas*?

The Honourable Sir Muhammad Zafrullah Khan: Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

592. **Dr. N. B. Khare:** Is it a fact that the Registrar, Joint Stock Companies, Delhi, on the 23rd January, 1929, registered the Allianz Und Stuttgarter Life Insurance Bank, Limited, under Act VI of 1912? If so, will the Honourable Member of the Government for Commerce please place on the table a copy of the first annual report of the affairs, account, etc., under the policies effected in India on registration of the said Bank under Act VI of 1912, or state the date on which the said report was issued by the said Bank?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the negative. The second part, therefore, does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

593. **Dr. N. B. Khare:** Is it a fact that under section 4 of Act VI of 1912 the Allianz Und Stuttgarter Life Insurance Bank, Limited, had deposited securities equal in amount to one-third of the increase to Life Assurance Fund, as shown in the Revenue account for the first financial year? If so, will the Honourable Member of the Government for Commerce please state:

(a) the date, the amount and the nature of securities deposited;

(b) the amount of the revenue account of the Life Assurance Fund upon which the amount of securities deposited is based; and

(c) the amount of policies effected in India?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the negative. The second part, therefore, does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

594. **Dr. N. B. Khare:** Is it a fact that the Allianz Und Stuttgarter Life Insurance Bank, Limited, keeps a separate account of all receipts of the Life Assurance business in Indian currency as required by section 5 of Act VI of 1912? If so, what is the amount of the said account as it stood on 1st April, 1930, 1931, 1932, 1933, 1934, 1935, and 1936?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the negative. The second part, therefore, does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

595. **Dr. N. B. Khare:** Is it a fact that the Governor General in Council have satisfied themselves that the Life Assurance Fund in Indian currency of the Allianz Und Stuttgarter Life Insurance Bank, Limited, is absolutely secured against the policies effected in India, as required

under section 6 of Act VI of 1912? If not, what action has been taken by the Honourable Member of the Government for Commerce to absolutely secure the Life Assurance Fund against the policies effected in India in Indian currency, and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the negative. The second part, therefore, does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

596. **Dr. N. B. Khare:** Is it a fact that under section 7 of Act VI of 1912 the Allianz Und Stuttgarter Life Insurance Bank, Limited, prepares the revenue accounts, etc., in Indian currency in each financial year under policies effected in India? If so, will the Honourable Member of the Government for Commerce please place on the table a copy of the said account for each financial year, and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the negative. The second part, therefore, does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

597. **Dr. N. B. Khare:** Is it a fact that under section 8 of Act VI of 1912 the Allianz Und Stuttgarter Life Insurance Bank, Limited, caused an investigation including valuation of its liabilities under policies effected in India by the Actuary? If so, will the Honourable Member of the Government for Commerce please state the date on which and the result of the valuation of the liabilities under policies effected in India was last investigated by the Actuary; and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the negative. The second part, therefore, does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

598. **Dr. N. B. Khare:** Is it a fact that under section 11 of Act VI of 1912 the Allianz Und Stuttgarter Life Insurance Bank, Limited, had deposited with the Governor General in Council the accounts in Indian currency under the policies effected in India? If so, will the Honourable Member of the Government for Commerce please state the date on which the accounts in Indian currency under policies effected in India were deposited? If none, why not?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the negative. The second part, therefore, does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

599. **Dr. N. B. Khare:** Is it a fact that under section 12 of Act VI of 1912 the Allianz Und Stuttgarter Life Insurance Bank, Limited, had submitted to the policy-holders a report on the affairs of the Bank under the policies effected in India? If so, will the Honourable Member of the Government for Commerce please state the date on which the report was submitted, and if none, why not?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information.

SUPPLY OF SWEETS AND *Puris* AT RAILWAY STATIONS ON PIECES OF DIRTY AND WASTE PAPER.

600. **Mr. Ghanshiam Singh Gupta:** (a) Are Government aware that sweets and *puri* vendors at the various Railway stations supply vegetable, *puris* and sweets on pieces of dirty and waste paper to the passengers?

(b) Are Government prepared to compel the vendors to use leaves instead of waste paper?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government have not received any complaints on this point.

(b) I am bringing the Honourable Member's question to the notice of the various Railway Administrations, and am asking them to look into the matter.

RELATIONSHIP OF SOME CLERKS OF THE MEDICAL STORE DEPOT, LAHORE CANTONMENT, WITH CONTRACTORS IN THAT DEPOT?

601. **Raizada Hans Raj:** (a) Will Government please state if it is a fact that some clerks of the Medical Store Depôt, Lahore Cantonment, have got their relatives as contractors in that Depôt?

(b) Is it not against regulations?

(c) What steps do Government intend to take to disallow contracts in one particular department in which the employee is related to the contractors?

Mr. G. R. F. Tottenham: (a) Government have no definite information, but it is possible that some of the contractors may have relatives in the clerical establishment of the Depôt.

(b) No.

(c) Government do not intend to take any action because the placing of contracts does not lie within the competence of clerks.

REMOVAL OF IMPORT DUTIES ON MIMOSA EXTRACT.

602. **Mr. Sami Vencatachelam Chetty:** (a) Are Government aware that wattle bark was being used for tanning purposes and that the import duties thereon were cancelled?

(b) Are Government aware that Mimosa extract is now being largely used?

(c) Is it a fact that Mimosa extract is subject to a duty of 25 per cent. *ad valorem*?

(d) Are Government prepared to remove any duties on the imports of Mimosa extract also?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (c). Yes, Sir.

(b) Government have received representations to this effect.

(d) Government have the matter under consideration.

PAUCITY OF MUSLIMS IN THE NORTH WESTERN RAILWAY DIVISION, DELHI.

603. **Qazi Muhammad Ahmad Kazmi:** (a) Is it a fact that out of the 32 officers employed in the North Western Railway Division, Delhi, 20 are Hindus and 12 Anglo-Indians and Europeans?

(b) Is it a fact that the office Superintendent is also a non-Muslim?

(c) Is it a fact that of the ten head clerks in that office, only one is a Muslim?

(d) Is it a fact that both the Divisional Engineers in that office are residents of Delhi?

(e) If the figures given in parts (a) to (c) be not correct, will Government be pleased to state the correct figures?

(f) Do Government propose to recruit more Muslims in the official class, and if not, are Government prepared to have some Muslim officers by means of necessary transfer?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

TRAFFIC IN MONKEYS FROM THE PROVINCES TO CALCUTTA FOR EXPORT TO FOREIGN COUNTRIES.

604. **Pandit Krishna Kant Malaviya:** (a) Are Government aware that there still exists considerable traffic in monkeys from the provinces to Calcutta for export to foreign countries? Can Government state to which countries the monkeys are mainly exported and for what purposes?

(b) Has the attention of Government been drawn to a recent case in which a consignment of monkeys was brought to Charbagh Station (Lucknow) for transport by rail to Calcutta in conditions which violated the regulations described in the reply to questions Nos. 659 and 660 asked in this Assembly on the 22nd September, 1931?

(c) Do Government propose to issue special instructions to Railways to see that the regulations are strictly carried out, and not to book monkeys for conveyance by train unless the Station Master has satisfied himself that the box or crate is adequate in size to avoid overcrowding and that food and water is provided?

The Honourable Sir Henry Craik: (a) I am making enquiries and will lay the information on the table of the House in due course.

(b) and (c). No, but if the Honourable Member will let me know the date to which the case refers, I will have enquiries made and consider what further instructions, if any, are called for.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 792, asked by Pandit Sri Krishna Dutta Paliwal on the 25th February, 1936.

VILLAGERS ASKED TO LEAVE THEIR VILLAGES IN JHANSI TEHSIL FOR MILITARY MANŒUVRES.

(a) and (b). The required information is given in the attached statement.

(c) The Royal Artillery Headquarters at the Babina camp gave notice of the villages to be cleared a week before the date on which they were to be cleared. The information was communicated to the villagers by means of patwaris and police constables and every village received at least four days' notice. On November 27th, a rehearsal of the evacuation was carried out by the police and villagers were on that occasion warned in writing to remove old and infirm persons and pregnant women. The actual clearing of individual villages was carried out under the supervision of the police in the early morning at about 6 A.M. on the day of evacuation.

(d) The information is given in the attached statement.

(e) The artillery practice ceased between 4 P.M. and 4-30 P.M. on each day and after that hour the villagers were at liberty to return to their homes. During the period of evacuation they were free to go anywhere they wished outside the danger area. Some went to villages outside this area, while others encamped for the day under trees. No special arrangements were made for shelter.

(f) No. This allegation was made in the *Pratap* newspaper of January 9th. The District Magistrate ordered an enquiry to be made by the Compensation Officer, an Indian Member of the Indian Civil Service. His report was to the effect that a woman belonging to Nagda village gave birth to a child in a house in the village of Todi on December 11th, 1935.

(g) It is a fact that a man named Latkan, Lambardar of Kasodhan, died during the evacuation of his village on December 10th. He had been suffering for some time from asthma.

(h) The information required is given in the attached statement.

(i) In general, such loss and hardship as is caused by the evacuation of villages is sufficiently met by the monetary compensation which is paid. The rates at which this is paid are those laid down in paragraph 1601 of the United Provinces Revenue Manual, of which an extract is attached. These rates are, it is understood, determined for the whole of British India. In December last owing to the fact that extra discomfort was caused by the evacuation of the villages during wet weather a sum of Rs. 532-14 over and above the amount payable in accordance with the standard rates was approved by the Eastern Command Headquarters for payment to the villagers. Government have under consideration a suggestion that the rates of compensation should be raised in the case of landholders on the ground that the hardship caused varies to some extent with the status of the person who is required to evacuate his home. It is reported that the daily wage paid to labourers in the villages in the vicinity of the practice camp is from -/2/- to -/3/- a day and the rates laid down in the Revenue Manual are therefore considered to be suitable for ordinary villagers.

(j) Artillery practice which is essential, demands a large uninhabited area and there is no unpopulated area of sufficient size within a reasonable distance of Jhansi. The sparsely populated tract of which Babina is the centre is reported to be the most suitable area in the whole district. It has been used for many years for this purpose and no complaints have been received on previous occasions.

STATEMENT I.

Statement showing the Villages in the Range Area with their Population and the Dates on which they were cleared during December 1935.

Name of village.	Population. Men.	Women and children over 15 years old.	Total.	Dates on which cleared in December, 1935.
1	2	3	4	5
1. Ratauli	217	369	586	2, 3, 4, 5, 6, 7, 10, 12.
2. Nihona	254	368	622	2, 3, 4, 5, 7, 12.
3. Nanora Khurd	36	69	105	2, 3, 4, 5, 6, 7, 9, 12.
4. Ramnagar	32	42	74	2, 3, 4, 5, 7, 9, 11, 12.
5. Nagda	280	379	659	2, 3, 4, 7, 11, 12.
6. Mawai Babina	83	134	217	11.
7. Nanora Buzurg	54	75	129	5, 6, 9, 10.
8. Raipur	53	84	137	7.
9. Jhanda	56	67	123	5, 10.
10. Tunka	253	372	625	5, 6, 9, 10.
11. Kasodhan	208	295	503	10.
12. Bhandra Buzurg	235	347	582	6, 10.
13. Sarwan	253	371	624	6, 9, 10.
14. Bhandra Khurd	146	180	326	10.
15. Phutaira Pichor	165	198	363	10.
Total	2,325	3,350	5,675	
16. Burpura	248	340	588	These villages in the range area were not cleared.
17. Udaitpura	99	152	251	
18. Hirapur	105	151	256	
19. Dubki	27	37	64	
20. Babina (hamlet)	11	15	26	
Grand total	2,815	4,045	6,860	

STATEMENT II.

Statement showing compensation paid to villagers during December Practice Camp of the Royal Artillery at Babina.

Name of village.	Compensation paid for December, 1935, for: Building and Clearing.	Damage to Tili Crop.	Loss of kids and calves.	Extra compensation for rainy days.	Other damage.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Nagda	557 5 0	845 8 0	49 8 0	124 2 0	51 0 0
2. Nanora Khurd	123 9 0	229 8 0	32 8 0	10 3 6	2 0 0
3. Ramnagar	94 5 0	119 8 0	..	13 14 0	..
4. Sarwan	208 1 6	..	17 0 0	58 12 6	17 13 0
5. Tunka	330 5 6	..	44 8 0	58 9 6	20 10 6
6. Mawai Babina	121 15 6	230 8 0	17 0 0	20 5 6	..
7. Jhanda	54 11 0	..	16 0 0	11 8 6	..
8. Nanora Buzurg	129 8 0	148 8 0	8 0 0	13 0 6	..
9. Nihona	453 6 6	457 8 0	52 8 0	58 5 0	69 14 0
10. Ratoli	617 6 6	477 8 0	16 0 0	109 8 0	82 0 6
11. Raipur	43 9 6	..	..	..	..
12. Kasodhan	109 15 6	..	34 0 0	..	..
13. Bhandra Buzurg	179 7 0	..	..	54 9 0	..
14. Bhandra Khurd	16 2 0	..	..	..	..
15. Hirapur	..	..	..	..	19 10 6
16. Babina	..	..	..	..	25 15 6
Total	3,039 11 6	2,508 8 0	287 0 0	532 14 0	288 15 6
	5,835 3 6				

Total compensation paid in December Rs. 6,657-1-0.

MANUAL OF THE REVENUE DEPARTMENT, UNITED PROVINCES, VOLUME II.

CHAPTER LXXV.

Compensation for damage by Military Manœuvres.

* * * *

1601. When villagers are turned out of their houses for a time or have to avoid certain portions of their lands during the actual time of firing they will be compensated at the rate of Re. 0-2-6 per man and Re. 0-1-6 per woman or child above 15 years of age, for each day after the first in any one month, or for the fourth and every subsequent day in any one season. These rates may be reduced when the disturbance to ordinary work consists in confinement within certain limits and is slight.

* * * * * *

Information promised in reply to a supplementary question to starred question No. 1051, asked by Mr. S. Satyamurti on the 10th March, 1936.

PROHIBITION OF MR. AMARENDRA NATH CHATTOPADHYAYA, M.L.A., FROM ADDRESSING ANY PUBLIC MEETING IN THE MIDNAPORE DISTRICT.

Order.

To

Mr. Amarendra Nath Chattopadhyaya, M.L.A.

In exercise of my powers under section 4 of the Bengal Public Security Act, 1932, conferred upon me in Notification No. 3225-P., dated 21st March, 1933, I hereby direct that while you are in the district of Midnapore you shall abstain from inciting to or encouraging by speech or action, opposition to the carrying out of the provisions of the Bengal Village Self-Government Act, 1919, in force within the areas of the Contai, Egra, Kamarda, Danton and Kolaghat Unions—*vide* Notification No. 5950-L. S. G., dated 19th October, 1935. In particular you shall not attend any meeting called for the purpose of discussing the establishment of such Union Boards, nor shall you remain present in any meeting at which such establishment may be discussed.

P. J. GRIFFITHS,
District Magistrate, Midnapore.

MIDNAPORE,

23rd December, 1935.

Order.

To

Babu Amarendra Nath Chattopadhyaya, M.L.A.

In exercise of the powers under section 4 of the Bengal Public Security Act, 1932, conferred upon me in Notification No. 3225-P. of 21st March, 1933, I hereby direct that while you are in the district of Midnapore you shall abstain from inciting to or encouraging by speech or action opposition to the carrying out of the provisions of the Bengal Village Self-Government Act, 1919, in force within the areas of the Contai, Kamardah and Egra Unions, *vide* Notification No. 5950 L. S. G., dated 19th October, 1935.

P. J. GRIFFITHS,
District Magistrate, Midnapore.

MIDNAPORE,

3rd November, 1935.

Information promised in reply to starred question No. 1193, asked by Mr. S. Satyamurti on the 13th March, 1936.

MOVE OF CERTAIN OFFICES FROM AND TO SIMLA.

The offices enumerated at (A) in the question move down to Delhi in the interests of efficiency and to suit administrative convenience as their work is closely connected with that of the Secretariat of the Government of India. As regards some of them I might add the following information. The Public Works Branch is a part of the Department of Industries and Labour and moves with it. The Solicitor's Branch is a part of the Legislative Department and his headquarters are those of the Legislative Department. The Statistical Research Branch of the Commercial Intelligence and Statistics Department which is no doubt intended by the term "Department of Commercial Statistics" was created in order that there might be at headquarters an organisation for the supply of economic information; it is therefore obviously undesirable to leave it at Simla during the winter. The reasons for bringing down the offices of the Military Accountant General and Director of Army Audit are :

(1) The Military Accountant General's office is an attached office of the Military Finance Department of the Government of India. It maintains the accounts of all the Defence Services and in that capacity acts as the Accounts Section of the Military Finance Department. It would therefore be inconvenient to locate it in any station except that in which the Military Finance Department and the Defence Department are also located. The inconvenience would be particularly acute during the budget season.

(2) Throughout the year, the staff of Army Audit has to conduct the audit of certain accounts and statements maintained in the offices of the Military Accountant General, Deputy Financial Advisers and certain Branches of the Army Headquarters. Apart from this, constant consultation between the Director of Army Audit and his staff on the one hand, and the officers and offices at Army Headquarters on the other hand, has been found to be necessary for the speedy disposal of cases, particularly in view of the fact that the Director of Army Audit's staff is small and work can only be kept current by avoiding formal correspondence on points which can be speedily settled by a verbal discussion.

As regards the stay at Simla of the offices enumerated at (B) in the question I would refer to the answer given to starred question No. 1192 by my Honourable friend, Mr. Tottenham.

Information promised in reply to part (a) of starred question No. 1206, asked by Bhai Parma Nand on the 13th March, 1936.

TRANSFER OF POSTS AND TELEGRAPHS EMPLOYEES FROM QUETTA AFTER THE EARTHQUAKE.

(a) The facts regarding the Railway and other departments are as follows :

As regards the Railway Department, of the staff employed at stations affected by the earthquake those who were injured, on being declared fit, were allowed to elect the division to which they wished to be transferred. Others employed in the affected area at the time of the occurrence were allowed transfer if they so desired to the divisions from which they were originally ordered to the Quetta Division.

In the case of the staff under the Auditor-General, the military Test Audit staff at Quetta was granted the concession of transfer to the stations nearest to their homes. No such concession was required in the case of any other staff under the Auditor-General.

In regard to establishments under the administrative control of the local administration of Baluchistan, as the members of such establishments are recruited for service in Baluchistan only, they are not liable to be transferred elsewhere.

As regards officers of the Political Department those who were in Quetta at the time of the earthquake and who subsequently applied for transfer or in whose interests it was considered that it was necessary were transferred or are being transferred from Quetta.

Information promised in reply to starred questions Nos. 1301, 1302, 1304 to 1307, 1309 and 1310 asked by Dr. P. N. Banerjea on the 17th March, 1936.

COMMITTEE TO ENQUIRE INTO THE WORKING OF THE GOVERNMENT OF INDIA PRESSES AND STATE RAILWAY PRESSES.

1301. Yes.

PAYMENT FOR TIFFIN TIME TO THE EMPLOYEES OF THE EAST INDIAN RAILWAY PRESS.

1302. (a) Yes.

(b) and (c). No.

(d) Does not arise.

(e) Government are informed that before the introduction of the new conditions of service for press employees, in 1930, those of the staff who were hourly rated were paid for tiffin time.

(f) and (g). The new conditions of service placed all staff on monthly scales of pay and the initial pay in these scales was fixed for hourly rated and piece-rated staff based on their previous earnings under the old rates of pay. The question of separate payment for tiffin time does not, therefore, arise.

GRANT OF COMPULSORY HOLIDAYS TO THE INDUSTRIAL EMPLOYEES OF THE EAST INDIAN RAILWAY PRESS.

1304. (a) Workshop staff employed in the Press are entitled to full pay on the thirteen shop holidays.

(b) and (c). Government are informed that the 3rd January, 1936, was declared a holiday for the administrative officers in Bengal but that the East Indian Railway Press was not closed. The staff were, however, permitted to apply for leave under the existing leave rules which was granted subject to the exigencies of service. Staff granted leave under these circumstances were granted leave with pay if due or leave without pay if no leave was due.

(d) In view of my reply to parts (b) and (c) there was no compulsory deduction.

(e) Does not arise.

PROMOTION OF EMPLOYEES IN THE EAST INDIAN RAILWAY PRESS.

1305. (a) Promotion is made according to seniority, good conduct, regular attendance and fitness to carry out the duties of the higher post.

(b) No.

PRACTICE IN THE RAILWAY PRESSES REGARDING RETIREMENT AND GRANT OF INCREMENTS.

1306. So far as the East Indian Railway Press is concerned Government are informed that :

(a) (i) Retirement is compulsory on reaching the age limit of fifty-five years.

(ii) Increments in time-scales are granted for approved service.

(b) No.

RIGHT OF APPEAL GIVEN TO THE EMPLOYEES OF THE EAST INDIA RAILWAY PRESS.

1307. (a) Yes, if an appeal lies under the rules.

(b) I would invite the Honourable Member's attention to the 'Instructions for the submission, receipt and transmission of memorials', a copy of which is in the Library of the House.

EMPLOYMENT OF RETRENCHED PERSONS IN THE EAST INDIAN RAILWAY PRESS.

1309. (a) In connection with the retrenchment effected on railways during 1931 and 1932 orders were issued that staff discharged as a result of the economy campaign should be placed on a waiting list with a view to re-employment on the occurrence of vacancies in preference to outsiders, provided they possessed the necessary qualifications.

(b) Government are informed that outsiders have been employed as qualified retrenched hands were not available.

(c) No.

(d) I lay a statement on the table of the House giving the required information.

Statement showing the Staff recruited against Permanent Posts in the East Indian Railway Press since 1st January, 1934.

	Retrenched staff.	New recruits.
Record Supplier	1	..
Duftry (literate)	..	1
Peon	..	1
Shop Messengers	2	3
Copy-holders	1	5
Monotype learner	..	1
Compositors	3	..
Impositors	4	..
Distributors	2	..
Proof Pressmen	1	..
Assistant Proof Pressmen	1	1
Assistant Machinemen	2	..
Assistant Litho Machineman	..	1
Forms Carriers	1	..
Binders	11	..
Packermen	12	1
Carpenters	..	2
Coolies	16	7
Counters	1	..
Despatcher	1	..
Clerk	1	..
Van delivery Sircar	1	..
	61	23

HOLIDAYS IN THE EAST INDIAN RAILWAY PRESS.

1310. (a) I presume the Honourable Member is referring to the letter addressed to the Agent, Eastern Bengal Railway, prior to the amalgamation of the East Indian and Eastern Bengal Railway Presses. Since the amalgamation of the Eastern Bengal and East Indian Railway Presses the combined staff are governed by the rule on the East Indian Railway under which 13 paid holidays are allowed.

(b) and (c). The workshop staff of the East Indian Railway Press (in common with the workshop staff of other Departments) have been granted the privilege of thirteen days shop holidays since the introduction of the new conditions of service for press employees from 1st November, 1930.

Information promised in reply to unstarred question No. 427, asked by Sirdar Jogendra Singh, on the 20th March, 1936.

KATCHA DRAIN DUG NEAR KAROL BAGH, DELHI.

427. (a) and (c). The *katcha* drain has been in existence for a number of years. It was not dug under the orders of the Secretary, Delhi Municipal Committee. In the absence of proper drainage in the area sullage water which would otherwise remain in the lanes, has to be discharged into the maidan through the drain. The whole question of the provision of essential services, including proper drainage, in Karol Bagh, is under consideration.

(b) The stagnant water is oiled by the Health Department of the Municipality to prevent mosquito breeding.

Information promised in reply to starred question No. 1396, asked by Pandit Sri Krishna Dutta Paliwal on the 23rd March, 1936.

INCREASE IN THE FREIGHT ON FIROZABAD BANGLES ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

(a) Yes, from 1st February, 1936.

(b) No.

(c) Yes. The Committee had recommended that the 2nd class rate should apply on certain railways and the Madras and Southern Mahratta Railway Administration accepted this recommendation and acted on it.

(d) The matter is one for the Madras and Southern Mahratta Railway Administration to consider. Government understand that that Administration is prepared to consider applications for special rates on bangles from Firozabad to specific points on that system.

Information promised in reply to unstarred question No. 444, asked by Mr. Muhammad Azhar Ali, on the 23rd March, 1936.

HOURS OF EMPLOYMENT OF THE TERMINAL TAX STAFF UNDER THE NEW DELHI, DELHI, NOTIFIED AREAS OF CIVIL LINES AND SHAHDARA MUNICIPAL COMMTTEES.

The New Delhi Municipal Committee and the Notified Area Committee, Civil Lines, employ no terminal tax staff as under an arrangement made with the Delhi Municipal Committee the tax is levied at their boundaries through the staff of the Delhi Municipal Committee. The hours of duty of the terminal tax staff vary according to the situation of a barrier. As a rule no clerk is employed at a barrier for more than three months. At some barriers clerks remain present for 24 hours and then are off duty for another period of 24 hours. The barriers at which this arrangement exists are situated at a considerable distance from the city and the arrangement was made at the request of the clerks themselves who do not like returning to the city late at night.

At other barriers the period of duty is 12 hours and at the Railway barriers the hours are from 10 A.M. to 5 P.M. with a holiday on Sundays.

The hours of duty of Inspectors vary from 7 to 8 hours daily, and those of chaprasis from 8 to 12 hours with intervals after a period of every 4 hours.

The hours of duty of the terminal tax staff of the Notified Area Committee, Shahdara, are from 10 A.M. to 10 P.M. during the cold weather and from 8 A.M. to 8 P.M. during summer. The clerks and peons are employed on night and day duty alternatively from week to week. Traffic between the hours of 10 P.M. and 5 A.M. is very limited so that the duties during the night shift are not heavy.

THE CANTONMENTS (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Mr. G. R. F. Tottenham (Defence Secretary): Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Cantonments Act, 1924, for certain purposes.

12 NOON.

RESOLUTION *RE* RELEASE OF POLITICAL PRISONERS DETAINED WITHOUT TRIAL.—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now proceed with the further discussion of the following Resolution moved by Mr. Mohan Lal Saksena on the 18th February, 1936:

"That this Assembly recommends to the Governor General in Council to release, or direct the release of, all political prisoners detained without trial."

Mr. A. S. Hands (Government of India: Nominated Official): Sir, in rising to oppose this motion, I venture to speak for the first time in this Honourable House, because the subject is one of which, through having been District Magistrate in Chittagong for three years from December, 1931, I have a fairly close personal knowledge. I very fully appreciate that, to many Honourable Members of this House, the idea of detention without trial must appear very unpleasant, but so also terrorism is very unpleasant. My object in speaking now is simply to put before the House some facts which, in the nature of things, cannot very well be in the possession of most Honourable Members and also to put before them certain aspects of this question which perhaps have not occurred to them, before they record their votes on what is, I think, a very important Resolution. I call it an important Resolution, because I notice that it has been tabled by no less than 21 individual Members.

Pandit Lakshmi Kanta Maitra (Presidency Division: Non-Muhammadan Rural): Will the Honourable Member kindly speak up? We can't hear him

Mr. A. S. Hands: I admit that my experience of terrorism has been confined only to the Chittagong district, that is, one district out of twenty-eight districts in Bengal, but it is a district in which in recent years there has been a larger volume of terrorist crimes than in any other single district in Bengal, and it is a district from which, as a natural consequence, a larger number of detenus have been sent to detention camps. I refer particularly to Bengal, because, whatever the wording of this Resolution, it is in fact a Resolution for the release of the Bengal detenus. Out of 1,435 persons at present detained without trial in India, 1,428 are Bengali terrorist detenus.

As to Chittagong, I would remind the House that, in two and a half years, beginning with the Armoury Raid, sixteen persons were murdered and sixteen were wounded by terrorists with fire-arms and bombs.

Several Honourable Members: We cannot hear the Honourable Member.

Mr. President (The Honourable Sir Abdur Rahim): Will the Honourable Member speak up?

Mr. A. S. Hands: In three and a half years, following the Armoury Raid, 27 armed terrorists were killed in that district in action with the police and troops.

Now, I will attempt simply to deal with the main criticism which is usually levelled against Government. That criticism is that the information on which people are detained is false, that it is the work of the police spies, and, if it were true, why can we not put the cases into Court. Now, it is essential first to appreciate that the terrorists and Government have before them each one distinct object. The chief object of the terrorist is to murder those who disagree with him, and, by dacoities and robberies, to collect funds for his organisation. The prime object of Government, therefore, must be to prevent these outrages. It is a mistake to imagine that an outrage by terrorists can be carried out casually on the spur of the moment. In actual fact, the most elaborate preparations have to be made. The preparations consist, amongst other things, of selecting the victim. Then, it is necessary to study his habits and movements, sometimes for months, and then to decide upon the most favourable place and the most favourable time at which to attack him. In addition, it is necessary to consider the chances of the perpetrators escaping and the chances of the victim putting up defence. At the same time, the leaders have to select from their party organisation reliable party-members who will undertake the outrage. I use the phrase "party-members", because it is the terrorist's own jargon to describe any member of his own organisation. The party-members who have been selected for this outrage have to abscond. Obviously, they must do this, because, if they remain at their ordinary residences, the police are bound to get at them, and it is an absolute fact that whenever you hear that a party-member has absconded, you can bet a hundred to one that he is detailed for an outrage. As these party-members who are detailed for the outrage have to abscond, there follow other preparations to be made for keeping them in safe shelters until they are ready for the act. After that, when the time comes to commit the outrage, it is necessary to assemble these party-members from the different places in which they are hiding, and very often it is a question of bringing them from places twenty miles apart and getting them safely assembled near the scene of the outrage at the right time. Very often they even come from another district. Now, it is quite obvious that the carrying out of those preparations which may take weeks or months must be done by the terrorists with the utmost secrecy, and it must be obvious too that these preparations consist of doing acts which are in themselves criminal offences, but they are not overt acts and their commission at that stage, I mean the preparatory stage, does not actually hurt any one. If, however, the police cannot stop these preparations then the terrorists can achieve their object and bring off their outrage. The House will, therefore, appreciate that there are two distinct forms of terrorist crime—first, the concealed crime in making preparations for murder, and, after that, there is the unconcealed crime, the actual commission of the murder which is the object of the preparation. It must follow, therefore, that Government must attack the terrorist organisation in two distinct ways. The most important aspect of the attack is of course the preventive action and because the preparation for that crime is secret, so Government must adopt secret means to deal with these preparations. It is only when prevention has failed and the outrage has been committed or when the terrorist has come into the open that Government can deal with him in open Courts. I do not think any one in the House can deny that it would be criminal on the part of Government's officers if, when they have in their possession information which they knew to be true, that preparations were going on for the commission of a murder, they failed to put those persons away and waited instead for some persons to be murdered, merely for the satisfaction of being able to try the terrorist in open court instead.

I now refer to the suggestion which has so often been made that the police rely on scallywag paid informers and it is on that kind of information that people are sent to detention without trial. It must be obvious to any one that the information about these secret preparations can only come from important party-members themselves. Nobody else can possibly be in a position to provide that information or know of the conspiracy; and when terrorist leaders are plotting an outrage you cannot imagine that they would allow into their inner councils some stranger or some person paid by the police. They can only admit to their councils their own important and, as they think, trusted party-members. On the information which the police thus get from these party-members, they can very often prevent the outrage by arresting the conspirators; but they cannot put these persons in the dock and they cannot put the party-member who gave the information in the witness box. There are two reasons for this: one is that it is almost certain that if you put that party-member or informer into the witness box, he will be murdered; the other reason is that, even if he is not murdered, he henceforth will cease to be of any use as a source of information. Obviously, once he is exposed in the witness box the leaders of his group will say: "Next time we are plotting a murder we will not tell you anything about it", and we would foolishly be discarding the very men on whom we are relying to get information of further plots. That is the whole—not the whole perhaps—but one of the strongest and the most valid argument why Government has this difficulty in putting these people into Court.

I emphasised that so long as the acts of the terrorist are secret, so long must the action of Government against them be secret too; and I am supported in this argument by repeated statements which appeared in the Bengal Press and were frequently made by public men in Bengal in the years 1931 and 1932 when terrorism flourished. When these people were asked to co-operate with Government in putting down terrorist crime, they invariably replied, and it was invariably published in the nationalist press: "How can the public help the Government? Terrorism is a secret movement: how can we know anything about it?" I fully agree with that argument, so far as it goes, and it is in fact precisely Government's case for putting away detenus without trial. We never have expected and do not expect now that the public can give us information of secret preparations. But they can help, of course, in other ways. But it is impossible—and it is unfair—for the critics of the Government to have it both ways; they cannot on the one hand say: "We cannot help you because this is a secret movement"; and then when Government take secret action say: "you should not do that because you are putting people away without trial." Fortunately, in Bengal,

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in the last year or two, they have realised the stupidity of that argument and are now helping Government in many ways, in the ways in which the public can help, but not in the secret way which they cannot possibly do. As soon as the preventive action fails and the crime is committed, the whole situation is entirely different. You can put the accused in court at once because you are not relying on your party-member as a witness: the crime is committed, the thing is open and the evidence is the evidence of ordinary members of the public who are witnesses of the crime; and, as a result, an enormous number of cases actually are put into Court.

Even if the Mover and supporters of this Resolution were to admit that the information is obtained from party-members, they would probably argue, "how do the police know, that this is reliable information?" I should argue this way: if it can be shown that on getting information from party-members we have achieved certain concrete results, then when the information on which we put detenus in detention without trial, is also obtained from similar sources, that information is also true. I will try and make it more clear in this way. During a period of 15 months in the Chittagong district, the police and troops arrested 30 absconders, many of whom were armed with revolvers and bombs; and during the same period the police and troops recovered 12 pistols and revolvers, three muskets and eight live bombs. All that information on which we secured these results was the information obtained from party-members; and the information on which we put away certain people in detention camps is obtained from the same or similar party-members. If we could arrest 30 armed absconders in 15 months and recover a large amount of arms and bombs, that information must be true; otherwise we could not have achieved those results; and it is surely reasonable to argue that the same information from these party-members who advise us that so and so is a most dangerous terrorist must be true also. I cannot see how you can get round that; but I can make it clearer still by quoting two or three out of very many cases, which I think are striking, which I actually know because I was present there.

I have just referred to absconders. Now, it is necessary to point out that this means two kinds of absconders. There is the ordinary absconder who is a proclaimed offender in a criminal case. That is, a man against whom there is a specific charge; his case has been put in court and it is awaiting trial. The other absconder is the man or woman whom the police want to arrest under the Bengal Criminal Law (Amendment) Act, because they know he or she is a dangerous terrorist. He knows they know it, and so he absconds. Now, I suggest that, if, when you have to arrest a proclaimed absconder in a specific criminal case, you find also in the same house with him two absconders who are wanted under the Bengal Criminal Law (Amendment) Act, it is reasonable to suppose that the information which you have had that these two Criminal Law Amendment Act absconders were dangerous is reasonably correct. I would point out a concrete case. In May, 1933, acting on information obtained from different sources, the police and troops surrounded two houses at night in search of three terrorists named Tarakeshwar Dastidar, Sudhindra Das and a girl, Kalpana Dutt. As soon as they saw that the troops were round the house, they opened fire at once. The troops replied and succeeded in killing Sudhindra Das (he tried to bolt across an open space in

the compound), and the other two eventually decided to surrender. Now, in that house were found three revolvers, ammunition, and a quantity of incriminating papers belonging to the *Yugantar* Party. In case anyone asks how do you know the papers were incriminating, I may mention that they were sufficiently incriminating to hang Tarakeshwar Dastidar a few months later. Now, of these three terrorists, Tarakeshwar Dastidar was wanted in the Chittagong Armoury Raid case; he was also wanted for having shot a sub-inspector in broad daylight. His name was in the list of people who were sent up for trial before the Special Tribunal, and the case against him was to be proved by witnesses in open Court. The other two terrorists, Sudhindra Das and the girl Kalpana Dutt were not wanted in any specific case, but they were wanted under the Bengal Criminal Law (Amendment) Act. We wanted to arrest them and detain them as detenus, because our information was, they were dangerous terrorists. Now, if that information had been the false information of paid spies, how can any one account for the fact that those two were found in the same house with a proclaimed absconder, revolvers and ammunition and a mass of incriminating papers of the *Yugantar* organization? I don't see how any one can suggest that the information we had that those two men and that girl were dangerous terrorists was untrue, and I remember sometime before this talking to Kalpana's father and warning him that she was a bad lot. He assured me that she was a good girl. She is now serving a term of transportation for life. Now, that is a case that illustrates the point that our information is true, and if Kalpana Dutt and the other youth had not absconded, we would have arrested them and we would have made them detenus, and then the Mover and those who support this Resolution would have told us that our information was false, and they should not be arrested.

Sir, there are a good many more cases, and if I have a few minutes more, I could mention some. There is another very interesting case. In November, 1933, a man, called Kali Kinkar De, and another, Manindra Dutt, were arrested in a house. In 1931, there was a plot to blow up a part of the Court compound at Chittagong, and canisters full of explosives had been buried under a portion of the compound on which habitually the cars of the Commissioner, the District Magistrate and the Superintendent of Police were parked. From there an electric wire ran underground to a point below the hill, and the plan was to press a button and touch off the explosives at a time when one of these officials was in his car over the place where the explosives were buried. Fortunately, the plot was detected, and four people were sent up for trial. Two of them made judicial confessions, and all four were convicted. One accused absconded, and that absconder was Kali Kinkar De. Thus he was a proclaimed absconder in a case which had actually been brought to Court and tried, and in which his co-accused had been convicted, so that there could be very little doubt of his guilt. He was arrested in this house, and we found with him a revolver which had been stolen shortly before from a police officer. The other man, who was arrested with him, Manindra Dutt, was an absconder under the Bengal Criminal Law (Amendment) Act; we wanted to make him a detenu, because the police had information that he was a dangerous man and they had for some time been trying to arrest him. Now, if the information that he was a dangerous terrorist was not true, how can you account for the fact that he was arrested in the same house with Kali Kinkar De, who was

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armed with a revolver? On two previous occasions, attempts were made to arrest Manindra, but our information from separate sources was that each time he evaded arrest by the neat device of getting into a tank, standing up to his neck in water with his head under a bathing platform. On this occasion, he could not be found in the house, and some bright officer, remembering the story of his means of evading capture previously, went straight to the tank and there was Manindra Dutt under the bathing platform. My point is that, on two previous occasions, we had information from two different sources that this was his method of evading arrest, and when, on this occasion he could not be immediately traced, the bright officer, remembering the previous information, at once thought of looking in the tank. Now, can anybody say that that sort of information was not reliable?

There is still another interesting point in this particular case. The house in which these two people chose to take shelter belonged to a man called Bharat Dutt. Now, Bharat Dutt's son had already been under detention for 18 months on the ground that he was a dangerous terrorist. Unless the other two absconders were very sure of a warm welcome, why should they go to Bharat Dutt's house? Does that not go to show that Bharat Dutt's son too had been rightly detained? There is a still more interesting point in this case, and that is, Bharat Dutt was then, of course, arrested on a charge of harbouring armed absconders and lodged in Chittagong jail. Very shortly afterwards, a letter addressed to him at his house was redirected by the post office to the Chittagong jail where he was then lodged, and this letter was in the handwriting of S. Sen, the leader of the *Yugantar* Party, who was at that moment under sentence of death in the jail. All these facts seem to me to show that these people were closely implicated in the terrorist movement, and that our information is not false. And, if I may have two or three minutes more, there is one other rather instructive case which I should like to mention. There was a young boy of about 16, named Harendra Lal Chakravarty. Our information was that he was a party-member, but he was not very dangerous, and, following our practice, an officer went to his parents' house to warn them that he was getting mixed up with terrorists and that they ought to look after him. The parents, of course, said that he was an excellent boy and that he never gave trouble and that he was even then studying in his class in the school. The officer said: "I will just go and see him in school". As soon as the officer got into the school, Harendra Lal Chakravarty cleared out of the school and was not seen again for about 12 weeks, and when he was seen again, it was 7th January, 1934, he had a bomb in each hand and with three other terrorists was throwing bombs at a group of spectators at a cricket match. Can you say that our information previously that Harendra Lal Chakravarty was not a good boy was false?

Mr. Satya Narayan Sinha (Darbhanga *cum* Saran: Non-Muhammadan): On a point of order, Sir. The Honourable Member has . . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair is the sole judge of time. The Honourable Member has nothing to do with it.

Mr. A. S. Hands: There is only one other point about this. Harendra Lal Chakravarty has now been hanged, but if the police, instead of withholding their hands, had arrested him straightaway at a much earlier date and he had been detained without trial, he would have been now alive.

I feel that I should not go through any more of these cases, because there are many, many instances, but I do hope that it serves a little to illustrate the fact that the information on which the Government do act is true,—and the information on which we send people to detention camps is exactly the same type of information,—is from exactly the same type of sources as I have mentioned in these cases. I trust the House will believe that there is some truth in the assurance of the Government that the information on which they act is most carefully sifted and is true. To my mind, the acceptance of this Resolution by the House could hardly be interpreted by the outside world, and I think, especially by the public of Bengal, except in two ways. Either as a Resolution of sympathy with terrorism or as a confession of complete irresponsibility. Sir, I oppose the Resolution.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I rise to support this Resolution. I feel, Sir, that I should be failing in my duty if I do not give sufficient vent to the feeling of deep resentment and profound grief which is convulsing the national mind, particularly in my province.

Now, what is this Resolution? The real scope of this Resolution is, it is a protest against detention of people without trial. We have protested against the vicious and pernicious system of detention of persons without trial; we have protested against it for a very large number of years. In fact, the other day, we were taunted by the Honourable the Home Member that it had become a hardy annual. Now, I want to tell him this, that, as long as this system prevails, as long as people are detained without trial, we are bound to protest against it, not only annually, but monthly, if necessary, whatever the actual effect of it may be.

In order to give some idea of the magnitude of the evil, I should like to place some figures before the House. The last speaker has given certain figures. Without in any way contradicting those figures, I shall give my figures from the Report on the Administration of Bengal for last year. I find in that Report that at the end of 1935, as many as 1,517 were detained in jails and camps without trial.

Mr. A. S. Hands: May I explain. . . ..

Mr. Akhil Chandra Datta: I do not give way, I have no time. I took the figure from the Report itself. The number of home domicile is 214, and that of village domicile is 838, and, therefore, the total is 2,569, excluding some other people who have been externed from the province.

Mr. Mohan Lal Saksena (Lucknow Division: Non-Muhammadan Rural): Their number is very large.

Mr. Akhil Chandra Datta: Their number is not very large, I think it is below 50. That is the position: over 2,500 are now under detention without trial. I shall not discuss the principle of detention without trial, nor shall I dilate upon another monstrosity, namely, that these unfortunate people are never told what the charge against them is. No charge is

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formulated, either formally or informally, either in writing or verbally, and, therefore, the question of safety of witnesses does not arise here. At all events, you might tell these people: "Here is an allegation against you. You are concerned in this, that or the other sort of activity. What is your explanation?" You may not take the matter to a Court, but you may ask for explanation from them. Even that is denied. Sir, I shall not go over this principle, because I know it is useless. I propose to discuss the question on a lower plain and to examine on the present occasion the position according to the declared policy of the Government itself. On the 11th March last, we were told by the Honourable the Home Member, while answering a question about the release of Mr. Sarat Chandra Bose,—he said the Government released him the moment they found the situation had improved sufficiently for his release. That is the Government formula on the question of release of political prisoners. At the very outset, I may submit this, that the case of the Government was that Mr. Sarat Chandra Bose was deeply involved in revolutionary activities. Now, the question that I want to ask is this. If a gentleman of his position, a leader of his position, deeply involved—that is not my case, that is the case of the Government, I do not admit the truth of that case—if a man of that position, deeply involved in revolutionary activities, could with safety be released some time ago on the ground that the situation had improved sufficiently, may I ask why these 2,500 lesser people, these younger people, without that capacity for organisation or that intellectual power,—why should these people not be released? Before I proceed further, I should like to say this. What, after all, is the case of the Government about these detenus? In an unguarded moment, the whole thing has come out from the mouth of the Government. In the Administration Report for the year 1934-35, the Government say this:

"While Congress politicians were indulging in these misguided efforts to secure a general release of all detenus and to excite sympathy on their behalf, irrespective of the merits or demerits of individuals, and cheerfully oblivious of the public danger involved . . . . (*Here comes the important portion*) . . . by the proposal to flood the Province with potential anarchists, Government began to develop a policy calculated to wean the majority of those detained from their mistaken leanings towards terrorism . . . ."

That is the whole case of the Government against these people—they are potential terrorists and not actual terrorists and there is only a leaning in these people towards terrorism. That is the whole case. May I submit that this is an unjust and unsound policy? What is the real implication of this policy? It is practically tantamount to a declaration like this: Look here, you 2,500 people. We can release you this very moment if the atmosphere outside is all right. There is nothing wrong with you. Your release depends upon the state of things in the country. If there is quiet in the country, then this very moment we can release you, but your release will be delayed if things are not improving outside in the country. In other words, a man is not to be released on the merits of his own case, but his release depends on the activities of other people. Let us, however, see whether it is not high time to release the detenus even according to this policy. Therefore, the question arises, has there been an improvement in the general situation? On that question, I have got a statement of the Honourable the Home Member made on the 14th February, 1935, over a year ago, that there has been a substantial and steady decrease in terrorist crimes since 1932. His exact words were: "It is correct that the terrorist crimes, since 1932, show a substantial decrease." Again, on the 12th March last, we have a picture of the present conditions in Bengal given by the Honourable the Home Member. There he says that although there are no terrorist crimes and outrages, terrorist conspiracies are still in existence, and, in support of this, the gravest piece of evidence he cited was that, some time ago in 1935 some weapons were found in a vessel in a dock in Calcutta, and this, according to the Home Member, constitutes the gravest piece of evidence as regards the existence of terrorist conspiracies. One of my friends, I think it was Pandit Krishna Kant Malaviya, asked: "How do you know that the terrorists have got anything to do with it? It may be the work of smugglers." Thereupon the Home Member was constrained to admit: "I quite agree. I am not in a position to say definitely that the arms were intended to be sold to terrorists."

The Honourable Sir Henry Craik (Home Member): For whom else could they be intended?

Mr. Akhil Chandra Datta: I am quoting the exact words used by the Honourable the Home Member. He cited this as the gravest piece of evidence in support of his contention. If that is so, I must say it is really a case of "belief is bias". You wish to believe there are conspiracies and merely because there is a find of arms in a certain place, you connect the two. If the Honourable Member will excuse me, if that is the mentality of one in such a responsible position, then, what will be the mentality of the ordinary police officers and ordinary magistrates and other people who are the real instruments in passing the orders of detention and restriction? Therefore, to say that, until things improve in the country, these terrorists cannot be released is an argument which is not *bona fide* and which cannot hold water for a single moment.

The same principle that release of detenus depends upon improvement in the general situation was enunciated by the Honourable the Law Member the other day, while speaking on the adjournment motion in regard to Mr. Subhas Chandra Bose. His point was that conspiracies have not yet broken up, and that, therefore, there is still necessity for detention without trial. That was his case. The Honourable Member is not here now. He is one of the shrewdest lawyers in the country, and all his legal acumen and astuteness were brought into requisition by the Government to support their case; but, after all, what did he prove? All that the Honourable the Law Member claimed he had established was that there were terrorist conspiracies and activities till the middle of 1933. We are now in the year of Grace 1936. Three long years have gone by. Much water has flown down the Jumna in these three years, and yet these people cannot be released, because, forsooth, things have not yet sufficiently improved. I might call it the case of the Government of India. Let us next see what is the case of the Government of Bengal with regard to the question whether there has been any improvement in the general position to justify the release of the detenus. I have gone carefully through their Administration Reports for the last four years, because the terrorist activities began in 1930. The Honourable Member, who spoke last, has described his experience in Chittagong. Of

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course, I could not hear him throughout. He was so inaudible throughout. As far as I have been able to get at what he said, he wanted to prove that there were terrorist outrages in the district of Chittagong. I am not here to dispute that proposition. That is not my case—I do not for one moment suggest that there were no terrorist outrages in Chittagong or in any other part of the country.

Mr. M. S. Aney (Berar Representative): It proves that police information is true?

Mr. Akhil Chandra Datta: I am reminded about the two incidents which took place recently in which some police informers have not only been suspected and prosecuted, but they have been convicted for planting bombs, one of the cases being in Midnapore and the other in Calcutta. This is my answer to the case so laboriously made that the information of police and police informers is always true. The other day I read in the newspapers that there was an application made before the Honourable the High Court for an enhancement of the sentence of one of these informers. Now, Sir, I was examining the case of the Government of Bengal. As regards the state of things in the year 1932, it was admitted in the report that year that an improvement had already commenced towards the end of 1932. As regards 1933, the Report says:

"The truth, however, is that the general situation as regards terrorist crime decidedly improved during 1933."

And there is another very important admission:

"There is a definite reason for believing that terrorist groups have been in a large measure disorganised".

although the Honourable the Law Member was telling us the other day that they were still in existence in the middle of 1933. Now, Sir, as regards the year 1934, we are told that:

"The situation has improved."

Coming to 1935, it is admitted that there was not one single terrorist crime in that year. That is the admission of the Bengal Government. But it is said that although the terrorist activities have subsided, there is the terrorist mentality still remaining in the youths of Bengal, and that that mentality, it is said, is proved by these things—the distribution of leaflets, posters, threatening letters, terrorist literature, robbery with pistols, and so on. Sir, I have read very carefully these reports, but I do not find a single sentence in which it is said that those people who were responsible for these things have been traced or that they were the work really of the terrorists and not of the police informers or the police spies or the police officers themselves.

Now, so far as the Government of Bengal is concerned...

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has exceeded his time limit.

Mr. Akhil Chandra Datta: I shall finish, Sir. The case of the Government of Bengal is this:

"The events of the year (1935) showed that the main onrush of the terrorist attack, which began in 1930, has been broken; but the history of the movement also shows that it always comes in waves, and that if one wave is neglected, the next is more extensive and more violent. There still remain in the Province materials for the resuscitation of terrorist activity, and potential leaders who are merely awaiting a favourable opportunity."

And then, it is said that:

"vigilance cannot yet be relaxed, and unremitting search must still continue for the secret organizers and hidden apparatus of mischief."

Now, Sir, I do not quarrel with that policy. I do not say that you should relax all your police efforts and all your police vigilance. That is not my case. So far as this Resolution goes, it is a Resolution in which we ask for the release of old political prisoners who have been indefinitely detained without trial. But it is said that there is a theory of "waves", that there is a cycle, a wave, and if you neglect one wave, the next wave will be more violent. It is not our case that you should not take any precautionary measures. If there is a calm in the country, you should take full advantage of it. Do not relax your efforts; let the policy of vigilance be continued, but the question of release of detenus is quite a different question. You have been detaining these 2,500 people for about six years now, and you must release them now, when, admittedly, there has been a decided and substantial improvement in the general terrorist situation. Sir, the Government insist that there must be a change of heart. Well, Sir, a change of heart cannot be a one-sided change of heart, it means an exchange of hearts.

Mr. M. S. Aney: How can there be an exchange of hearts when there is no heart?

Mr. Akhil Chandra Datta: One of my grievances is this. I can quite understand your asking them to change their heart, but have you ever cared to understand as to why these young people are making the utmost sacrifices in life, I mean the sacrifice of life itself. Before you ask for a change of heart, you must know their heart. I for one and my revered friend, Sreejut Bhagavan Das, have all along been waiting for an answer from the Government as to what, according to them, is the root cause of the terrorist movement. In my speech on the Criminal Law Amendment Bill, although I have discussed at great length this question of paramount importance as to what is the root cause of the terrorist movement, I regret to say that up to now we have not heard a single word from any one of the Government Members as to what that root cause is, and as to why is it that these youngmen are sacrificing their lives. Sir, one word more, and I have done. My Honourable friend, Mr. Chunder, said the other day in this House that all honour was due to His Excellency Sir John Anderson for the policy he is pursuing now in Bengal. I do not find myself in that happy mood, Sir, of being able to congratulate H. E. Sir John Anderson. Sir, I shall not be in that happy mood until I find that the principle that he has advocated is translated into action, into actual reality. It won't do merely to say that repression is not sufficient.

[Mr. Akhil Chandra Datta.]

You have to find out the remedy of this malady in the body politic and apply that remedy. You have never tried a constructive policy, and, therefore, I am sorry I cannot join Mr. Chunder in singing hallelujah to Sir John Anderson. Sir, I support this Resolution. (Applause.)

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Mr. President, after a lapse of about a couple of weeks on account of illness, I am sitting here, and I consider it necessary to take part in this debate. Sir, at the very beginning, I must congratulate my Honourable and esteemed friend, the Deputy Secretary in the Home Department, Mr. Hands, for his lucid exposition of his case, and, I am certain, Mr. President, knowing as I do many of these things connected with all aspects of this Resolution, I think I ought to be able to enlighten the House on certain additional matters as well. Sir, there is no denying the fact, as has been stated by the Government spokesman, that there has been trouble in Bengal, mostly in my part of the Presidency, and at Midnapore. It is very difficult to pass a judgment off-hand, least of all on the part of people who are neither in the secret conclave of Government and who are neither in the good books of the Opposition. But nonetheless, as a man who just looks round, and as a layman, Mr. President, if I may say so, and as one who has got the greatest wish for the gradual evolution of his country and for his countrymen to pursue the right goal and right purpose, I think it was high time, Mr. President, that Government reiterated their position and not follow the Ostrich policy which they have hitherto been doing in this matter. (Hear, hear.) Mr. President, I should be the last person who would like it to be thought that I take any prejudiced view on important matters like this, but this is my impression, Sir, that, so far as things that were taking shape and has worked in my part of the Presidency, it must be said to the great credit of my Honourable friend, Mr. Hands, that very largely, through his sagacity and judgment, he was responsible for allaying the great trouble which started about the year 1930 in my part of the Presidency of Bengal. What Mr. Hands states are all correct, but I think by now these misguided people have learnt the folly of doing unconstitutional things, and the atmosphere seems to be improving gradually. Whatever is needed has been said by the previous speakers. In trying on experimenting with these gentlemen, who have been detained without trial, it is said that caution is the motive. I am afraid they have not got what they call the right kind of understanding. I think it has been very well focussed by the Honourable the Deputy President that, unless you have a real change of heart, unless you have a real orientation of the whole picture, I do not know how far Government will be able to sit over this matter and not decide it finally one way or the other. I submit this is a very psychological moment, because the Honourable Member representing the Government of India knows very well in what part of the year we are just now. It is 1936, and, I think, within nine or ten months' time, the Governments in every part of India are likely to undergo a certain amount of change, whether for good or bad, I cannot say, but a change of Government is their aim. If the Government of India are anxious that Provincial Autonomy should be started with proper perspective, I very respectfully and humbly suggest that this matter of releasing gradually those who have been detained without trial should be sympathetically considered. (Hear, hear.)

I think the great ill is want of contact. That is very patent. If you have a district where you have a trouble of this kind, and if you have a first class—"A-1"—District Magistrate, and if he were a man of the right type with proper understanding of the psychology of the people, I think all the troubles of the Government will vanish like the morning dew. As a matter of fact, I do not think this is really time for fencing with words, not certainly the time that there should be diplomatic answers on matters of importance and of much moment of this kind. I say this that Government ought to take a more liberal view of the matter and not sit on it any longer though they have done something in this direction. I think it has been mentioned by certain Honourable Members that it is a wonder how this terrorism could start in a country like ours, a peaceful country where people are so docile and meek. You know very well, Mr. President, that history repeats itself. Students of history, as a result of the so-called advance in education that has been given to the people of this country, must have known the history of the carbonaris (charcoal furness) of Italy, and if that history was taught to the people of this country and if that has roused fire within them, the Government of India ought to thank themselves for it and none else.

Lastly, I should say this much that so far as experiment about home internment and giving people their own domicile under the care of parents is concerned, I think that is proving very useful in my part of the Presidency. I think it may be tried elsewhere, and perhaps it would bring better results. The experiment of the Bengal Government is producing good results. That being the case, the Government ought to consider very seriously whether they should not hit on some course which will pacify all. (Applause.)

1 P.M.

Mr. C. H. Witherington (Assam: European): Sir, the Honourable the Deputy President, in the course of his speech, pointed to the fact that terrorism, and the manifestation of terrorism has considerably lessened during the last few months—I think he said, during the last eighteen months,—and he drew the conclusion that there was no terrorism at all in the country, and that there had been a change of heart on the part of the terrorists. But I prefer to take the other view, and I say that the detention of these 2,500 suspected persons, I take his own figure, is one of the main reasons why terrorism has lessened during the last few months.

Coming to the points the Honourable the Mover made in his speech when he moved this Resolution, he painted a very heart-rending picture of the deplorable condition in which these suspected persons are detained in custody. He said, the flower of the youth of Bengal is being smothered, that they had no knowledge of what charges had been brought against them or when they would be released, and that if the present policy of the Government was continued with regard to detention, they would either go mad or commit suicide. Well, Sir, that is a very deplorable tale and it is gratifying to know it is not true. Since that Resolution was moved, the Honourable the Home Member has taken the House very fully into his confidence, far more fully as he said, than it had ever been taken before, and he has explained the circumstances in which these suspected people are detained and why it is impossible to put them on trial. He explained to the House that the very greatest care is taken in checking and cross-checking the evidence to prove that the evidence is true before detention is carried out, and action is never taken unless it is proved

[Mr. C. H. Witherington.]

beyond a shadow of doubt that the release or the freedom of these people is a danger to society and the State. If I have any criticisms to make about this subject, it is that the authorities in Bengal have been overcautious in their final decision as to whether to detain or not to detain suspected persons, for I shall never forget what the Honourable the Home Member told us the other day that the failure—he did not use the word failure, but I use it—of the authorities in Bengal to detain three suspected persons was instrumental in the murder of Mr. Burge only a few weeks after the examination of these men's dossiers. Had the authorities in Bengal exercised a little more latitude in their final decision, it is possible that Mr. Burge might have been alive today.

Then, Sir, we have been assured time and again by the Government that the detenus' cases are being reviewed periodically, and that they are released when it is considered that they will no longer be a danger to the community. The Honourable the Mover of this Resolution criticised this on the ground that he had no confidence in the people who review these cases. Well, Sir, the Mover of the Resolution cannot be so stubborn of belief as to think that the Governments wish to detain, at great cost to themselves and enormous trouble to themselves, those persons who are no longer a danger. We can believe that just as much care is taken to review these cases as is taken in the first instance in testing whether a man should be detained or not. The action of the Bengal Government in organising training centres to teach the detenus useful trades and callings is sufficient proof, if one was wanted, that they are anxious to interest the detenus in subjects other than terrorism, so that they will turn out useful citizens. And it is also proof that Government do not want to keep these people in detention interminably, but want to release them directly it is safe to do so.

It is untrue to say that the detenus do not know when they are going to be released. The remedy lies in their own hands. If they acknowledge that terrorism, murder and so on are bad things, they should say so, and thus gain their release. But if they still persist in their leanings towards terrorism then their continued detention is fully warranted, and, no Honourable Member of the House will deny this.

This country has fortunately been free from the manifestation of terrorism during the last few months as the Honourable the Deputy President said, but the canker is still present and nobody can deny that it is not present, we know it from evidence. It only needs a stimulus such as the release of dangerous characters, who are at present detained without trial, to bring it to active life again. In Bengal especially, there is fertile ground for the play of insidious, underground and despicable propaganda for evil. And, if the terms of this Resolution are carried out, the results will be disastrous. We know that for a fact. If we put aside all other considerations such as the danger to the State, the enormous [illegible] devolves on provincial Governments to combat terrorism, the need to protect law-abiding citizens,—if we put aside all these considerations, which we obviously cannot, there is one consideration, Sir, which I think should appeal to all Members who are in favour of this Resolution; and that is the need to protect the youth of this country from the contaminating influence of terrorism and murder and to allow them to grow up as worthy citizens of this country. Terrorism is not merely directed to oust the British from India. It is directed indiscriminately

against any form of authority, whether British or Indian, it is indeed a sorry training for the youth of this country to be brought up in the thought that any authority can be undermined by force and intimidation.

It is not only Bengal that we should consider, but the whole of India, for there is no doubt that the canker of terrorism has spread to other provinces. I think specially of my own province of Assam which is a near neighbour of Bengal. Generally speaking, it can be said that Assam has been singularly free from terrorist activity in the light of our close proximity to Bengal. But it is a fact that we have not been entirely free from these activities. The movement introduced itself from Bengal into Assam owing to the pressure in Bengal caused by the control instituted by the police over terrorism; and bad characters, finding the pressure in Bengal too much for them, came to Assam where they hoped to have a happy hunting ground for their activities. And this can be said of every province near Bengal. Fortunately, these bad characters met with very little success in my province owing to the good sense of the people of Assam. And we can congratulate ourselves,—and I hope Honourable Members from Assam will support me in this,—we can congratulate ourselves that the attempts to undermine the integrity of our young men in Assam have not fully succeeded. But Assam certainly has got a little of this virus in it, and it only wants an unusual stimulus such as the wholesale release of these Bengal detenus, to bring it to life again. We want to avoid every possible chance of that stimulus taking place, and to save our province from the disgraceful episodes which occurred in Bengal in the past. I have given Assam as an instance, Sir, but the same applies to any province in India. For, of nowhere in India can it be said that there do not exist seeds of terrorism, and danger to the integrity of the youth through that movement. I am very glad indeed that the Honourable the Home Member has had an opportunity to make a statement in the House the other day, I think on the 12th March, in connection with another motion; and I was extremely interested in the speech delivered today by the Honourable Member, Mr. Hands, giving his intimate experience and first-hand knowledge of terrorism in Chittagong. I cannot believe that any Member of this House can ignore the instances which Mr. Hands has given of the danger which exists in his province. The Home Member, as I say, had an opportunity to make that statement explaining the circumstances in which the detentions are made,—a statement which I feel must relieve the anxiety of any Member of this House who thinks that the wrong people are being detained. The people who are detained are potential murderers—I noticed that the Deputy President objects to that word "potential" because he thinks that no potential murderer should be incarcerated. I have different views on that, and I think that potential murderers should be restrained, in case their potentiality comes to fruition. As I say, these people who are detained are potential murderers, revolutionaries and sedition-mongers, people who are afraid to do murder themselves and who are ready to work underground, secretly, insidiously, to incite more or less innocent youths to do murder in their place. These are the people for whose release this Resolution is moved. The House knows perfectly well the circumstances in which these people are detained and the impossibility of bringing them to trial. Honourable Members know perfectly well that this is so, and they know that the detenus will be released directly they are proved to be no longer a danger to the community. The Opposition has given its assurance time and again that they have set their face against terrorism and they must surely,

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therefore, concur that the detention of these people, while they remain obdurate and in favour of terrorism, is wholly and essentially necessary for the peace and security of the law-abiding community and the State. I appeal to the Honourable Members of this House who hold murder and terrorism in abhorrence to vote against this Resolution which aims at the release of dangerous people who will inflame the villainous canker of terrorism which is known to exist at present. I want to refer to one point which the Honourable Member, Mr. Hands, made, and that was that this Resolution was in effect a vote of confidence in terrorism. That is an extremely useful sentiment in my view, and I wish I had thought of it myself; and I would draw the attention of the House again to that point in this way that those who vote in favour of this Resolution are voting for the furtherance of terrorism in this country. *(Cries of* "No no" and "Certainly not.")

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Mr. Basanta Kumar Das (Surma Valley *cum* Shillong: Non-Muhammadan): Mr. Deputy President, I beg to thank you for giving me this opportunity to take part in this debate and say a few words in support of the Resolution before this House. The Government case on the subject of the release of political prisoners has been put forward by the Honourable Mr. Hands, and you, Sir, by your speech this morning have given an effective reply to what Mr. Hands has said. You have given unanswerable facts, which are alone pertinent in a consideration of the subject and in proving the hollowness of the Government's point of view.

Sir, The question of the release of political prisoners is a very sore one and cannot be too strongly pressed upon the attention of this House. Sir, who are these political prisoners? Are they not the best type of young men and women of India who are detained without trial merely on the suspicion of possessing terroristic proclivities? But the question is, how long are they to be detained in this heartless manner, and what is the real danger in releasing them even now? How these prisoners came to be clapped in jail and how Government justify their claim that they are still to be detained are well known. Yet the importance of the question in the interests of public life in India demands that this House should record once more its verdict against the terrible injustice of prolonged detention of these prisoners without trial. If terrorism is to be stamped out and if law and order is to be saved from jeopardy, the detention of suspects in the manner in which it is being done is not certainly the remedy. It is like treating a sore with a superficial application of medicine without adopting a radical method which would deal with the root cause of the disease. Government are fully cognisant of the various causes which breed terrorism. They should take steps to eradicate those causes. If they think that the supposed terroristic proclivities of the detenus would be curved by their prolonged detention, they are certainly mistaken.

This is against human psychology, which cannot be ignored in devising all practical steps for killing the pernicious growth of terrorism in the land. Granting that every one of the detenus is a terrorist or a Communist, his segregation from the family and society for a prolonged period is bound to goad him into desperation and develop in him a perverse mind which, imbued with hatred against Government, will think of vengeance only. Detention, therefore, is certainly not the method to wean away a terrorist from the path of terrorism. It is the method of a demoralised Government, and the fact, Sir, is that the Government, conscious of their misdeeds which have really contributed to the growth of terrorism in the land, persist in their perversity and will not listen to sound advice sincerely given. The supposed terrorist cannot be indefinitely detained and will have to be released one day. But why should the mind of this supposed terrorist be made bitter by prolonging the detention at a time when admittedly the atmosphere in the country is definitely against the growth of terrorism? The Congress is wedded to non-violence and is definitely in favour of the policy of carrying on a country-wide propaganda against terrorism. The Congress is no doubt out to attain complete independence and shake off the leprous subjection from which the country is suffering. But the Congress will always be in revolt against all terroristic activities and methods. Therefore, let the Government take note of this and not suspect the intentions of the Congress in getting these political prisoners released. The Congress will certainly utilise the intense nationalism of these detenus for the cause it represents, and the Congress will also see that they do not find any scope for the play of their terroristic proclivities, if they have any.

Sir, there is another side of the question which this Honourable House should consider in connection with this Resolution. Government admit that there has been a considerable improvement and that public opinion in the country is definitely against terrorism, and you, Sir, have shown by ample quotations from Government Reports this morning that this is the Government view. I, therefore, ask: "Will it not be sheer prudence on the part of the Government to take full advantage of it and allow those who are suspected of terrorism to be under the healthy and restraining influence of that opinion?" I need hardly emphasise the fact that strong public opinion against terrorism which happily now prevails in the country, if allowed to act upon suspected terrorists, who are styled as potential terrorists by the Government, will be a more effective deterrent against terroristic tendencies than detention in prison,—the rigours of which are bound to whet those tendencies. Again, Sir, the futility of terroristic methods has been sufficiently established, and, I am sure, that those who are being detained will not fail to realise the folly of being terrorists if they are at all terrorists. This, therefore, is the proper time to release the detenus, and if really they were going wrong, they would certainly take note of the country's mind, which is undoubtedly against terrorism, and mend their ways.

My Honourable friend, Mr. Mohan Lal Saksena, has put forward this Resolution with a speech of great vigour and has been able to establish with great alacrity the injustice of the detention of political prisoners: and that alone is a sufficient ground for this House to recommend strongly to Government the release of political prisoners. Those who are the supporters of Government must also realise that, having regard to the present attitude of the people in the country, it will be sheer folly on the

[Mr. Basanta Kumar Das.]

part of Government to persist in prolonging the detention of the political prisoners, if really Government are sincere in having peace in the land. It is well known that Government care very little for justice when administrative expediency goads them to a certain line of action, but I put it to them with all seriousness whether it is even administrative expediency to allow this heartless act of detention of political prisoners to continue. The present political situation in the country requires—and it would be sound expediency also to release the political prisoners now.

Sir, Government's demand for co-operation from all sections of the people in the country in the matter of stamping out terrorism from the land has been sufficiently responded to, and when the co-operating public cry for the release of political prisoners as an act of bare justice, Government should not maintain their stiff attitude and turn a deaf ear to that demand. The public stand sufficiently exasperated by the various unpopular measures and acts of Government. Let them not ride roughshod over popular sentiments in this matter of political prisoners and add to that exasperation.

Government's action with regard to Mr. Subhash Chandra Bose has already evoked a great popular resentment. When the atmosphere is clearly unfavourable to the growth and spread of terrorism, is it wise on the part of Government to hurl Mr. Bose again in prison when he is returning to the country after a long exile and no doubt with the best sentiment in him to serve the motherland as a member of the Congress? Even the hardened criminal is given time to correct himself, and there is absolutely no reason why political prisoners should not be allowed, after long detention, to be free to take to healthy ways of life which the public opinion in this country will certainly urge them to do.

Sir, I have nothing more to add. But, I warn the Government that the policy they are following in the name of law and order is a policy which is detrimental to the best interests of the country. It gives a long rope to the police, leading them inevitably to become unscrupulous, overzealous and even vindictive. There are cases of over-zealousness and vindictiveness on the part of the police, and I have personal experience of some. This morning, Sir, you said in your speech that there were cases in which the police tried to manufacture evidence against supposed terrorists and the police even go the length of planting bombs and revolvers. Sir, I had once an opportunity to come to know of an attempt on the part of a police spy to plant a revolver in order to bolster up a case against one in whom I was interested and I was told by the Judicial Member of my province after an enquiry that the allegation of such an attempt was true.

My Honourable friend, Mr. Witherington, spoke of terrorist activities in Assam. As these terroristic activities concern principally my district of Sylhet, I am in a better position to contradict him directly by saying that there is no terrorism in my district and in Assam. No doubt there have been a few cases of dacoities and robberies by some misguided young men in my district, but what happened during the trials of some of these cases which were brought to Court? They disclosed the fact that the dacoities were not committed with any political motive: they were ordinary crimes committed by educated young men under the stress of economic difficulties and goaded by the terrific problem of unemployment. There

have been protests from my district from time to time that there is no terrorism there; but the newly organised I. B. Department will not allow the Government to believe that there is no terrorism there. After the Assam Criminal Law Amendment Act had been passed, they drew up a list of supposed terrorists which, I am told, included even the names of girls, and submitted proposals to the Government for action. It should be said to the credit of the Honourable Member in charge of law and order in my province that, he, being a man of the district affected, took courage in both hands and persuaded Government not to give effect to the proposal of the police in its entirety. If really the proposals of the police were given effect to in full, there would not have been a single educated family in my district which would not have supplied one or two young men or women to be detained. That was in the beginning of 1934. During these two years, there has not been any case in which it has been established that there is a terrorist organisation in my district. No doubt, the most annoying police method of shadowing and pursuing of suspected young men and women is going on. No doubt, the police are submitting reports daily of the movements of these men and women; yet I may tell you, Sir, that it is quite unnecessary so far as my district is concerned. Through the overzealousness of the police, some innocent young men's careers are going to be blasted. They came unfortunately to be noted down by the police, and, whenever any of them applies to the Government for any job, the report goes that he has got terroristic tendencies. There are some brilliant graduates of the University who complain that though they have no connection with any political or semi-political organisation, yet they have been reported against as being terrorists or having proclivities which are not at all liked by the Government. This is the state of things in my province, and it might be the case in other provinces also; and I submit that if this sort of thing goes on, there will be in no time a state of affairs brought about which it will be very difficult for the Government to control later on. There will be seething discontent in the country, and stray cases of exasperated young men, getting implicated in some violent acts against some officers or against Government measures may certainly be attributed to that cause. The multiplication of such cases may follow as a matter of course if the Government do not change their present policy. We, therefore, ask the Government to change the policy and release the political prisoners, which will certainly be a step in that direction. With these few words, I commend the Resolution to the acceptance of the House.

Pandit Lakshmi Kanta Maitra: Mr. Deputy President, I had no intention of taking part in this debate today as we had a full dress debate on the subject some two or three weeks back in connection with the censure motion regarding the repressive policy of the Government of India. But we have just had the speech from my Honourable friend, Mr. Witherington of Assam, who has made certain observations which are of so sweeping a character that I think I shall be failing in my duty if I were not to challenge them. The Resolution before us only asks for a recommendation of this House to the Government of India for the release of persons who have been kept in detention, without any trial in a constituted Court of law. On the principle of this, I believe no long drawn speech, no laboured disquisition is necessary.

[Pandit Lakshmi Kanta Maitra.]

I had the pleasure of listening this morning to the mild and measured speech of my Honourable friend, Mr. Hands; and, as I was listening to him, I could feel that Mr. Hands knew perfectly well what a nasty case he had to deal with, and that explains why he had to put in a lot of energy and enthusiasm to warm himself up on the subject; but he failed. Mr. Hands has mainly referred to the incidents that took place during the years 1930 and 1933, but we are now in the year of Grace 1936: events have changed so far—so many things have intervened, and, according to the admission of the Government of India represented by the Honourable the Home Member, there has been such a distinct change in the situation that the matter needs handling in a different way and on different lines. About this policy of detention without trial, about its fundamental injustice and inherent viciousness I believe it is not necessary for me to try to convince Honourable Members of this House, particularly those Members who come from Great Britain, because the principle is so repugnant, so revolting to their sense of individual liberty . . . .

Sardar Sant Singh (West Punjab: Sikh): In England: not in India.

Pandit Lakshmi Kanta Maitra: I am talking of Englishmen in England. As soon as they cross the Suez Canal, as soon as they land in this country, we see that they lose most of the virtues they have in their own country: that is the misfortune of the whole situation. Their whole history is a history of incessant struggle against tyranny, struggle for individual liberty, and they have achieved success to an extent which no other nation in the world has been able to do. In fact, their history is one long record of triumphs of the writs of freedom over *lettres de cachet*. We in this country, who have been bred on British constitutional law and British history, have learnt to value this right of individual liberty more than anything else, and we must strenuously oppose any measure of the Government which tends to bring it into jeopardy. It is a tragic irony of fate that, after nearly 170 years of British Rule, in this country, we now find it a part of the general policy of the British Government to detain people without any form or semblance of a trial, and that for an indefinite length of time. I would ask, what is the justification for this continued detention without bringing them before a Court of justice? We are asked seriously to believe that there is in the archives of the Government such incriminating material that it is sufficient to warrant the conclusion that these detenus, numbering about 2,500, who are now under some form of restraint or other, are involved in revolutionary conspiracies. That is their whole case. Let us examine for a moment this contention of the Government. During the important debate which we had on the repressive policy, we had a very remarkable speech from the Honourable the Home Member, and I congratulate him on that powerful and impressive speech. I have read it several times, but I can tell him quite frankly that, in spite of all the material which he had been able to present in that speech, we still stand unconvinced. I will only analyse two or three sentences from that speech. What is the nature of the material on which the Government base their case? The Honourable the Home Member has definitely stated that, first of all, they start with a confessional statement, I am giving his exact words, and here I must thank the Honourable Member for the frankness with which he has admitted

that he is not in the know as to the methods which the Government employ in dealing with the terrorists, He says:

"The police do not employ professional spies."

We have never contended that. But there is a far-flung C. I. D. organisation with I. B. and S. B. Departments maintaining a vast army of ill-paid, ill-fed, ill-bred informers and spies who, in co-operation—or I may say—in collusion with the police, work havoc in the country.

Sardar Sant Singh: Ill-paid?

Pandit Lakshmi Kanta Maitra: They are ill-paid. The men in the higher grades get very handsome pay and allowances, but those in the lower rungs are ill-paid and they can stoop to any means and methods to earn their pittance. They are generally unreliable and unscrupulous.

An Honourable Member: You are pleading their cause!

Pandit Lakshmi Kanta Maitra: I am pleading for improvement of their morale and methods!

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): It means that they ought to get more salaries!

Pandit Lakshmi Kanta Maitra: If the heart of the Honourable Knight of Moradabad bleeds for them, I shall not grudge their lot!

Some Honourable Members: Go on.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member will please go on.

Pandit Lakshmi Kanta Maitra: He continues:

"The information which we get about these people almost invariably starts with some kind of a confessional statement, not by the person himself, of course, but by a person in his confidence. Now, even that is never accepted until it is cross-checked by at least one other statement of a person in the inner circle."

All this process is being pursued by the police officers and finally they are said to be placed before two Sessions Judges. But how can Judges persuade themselves to adjudicate on these dead records? How can they come to a correct decision on this one sided evidence? So, first of all, you get a confessional statement, not by the person himself, but by somebody else who is said to be in the confidence of that man. That is checked by the confessional statement of another person, and those persons are not known to each other, according to the statement of the Honourable the Home Member. It is all very well to state in this House that Government are taking every possible precaution, every possible care, to see that no injustice is done, and no person is unduly deprived of his liberty. But those of us who are bred for the profession of law, who practise the noble profession of law,—know what these assurances are worth. After all, police evidence, not properly tested and sifted by well recognised methods, should not be trusted, that is our definite, deliberate opinion. We know what a police enquiry, pure and simple, means. Do

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not the police in every trial make out a *prima facie* case and submit a charge sheet to the Court? And still do we not find that in open Court, in open trial, their evidence cannot generally stand the test of cross-examination and cases eventually end in acquittal? In my own province, we have had the experience of the Naraingarh Train Wrecking Case, the Mussalmanpara Bomb Case, the Howrah Conspiracy Case. The Government commandeered all the resources at their disposal, and, piecing together confessional statements drawn from several quarters, launched these cases with all the paraphernalia of a State Prosecution. Some lawyers, who volunteered their services for defence, smashed the prosecution evidence in such a way that there was acquittal in all these cases. In one particular case, relying on the confessional evidence of the police, the Government went so far as to give prizes to persons who were said to have actually captured the culprits. But, at the right moment, the actual culprits turned up and said: "We are the guilty people, and not they." These experiences are still fresh in our minds. I ask Honourable Members on the Treasury Bench and British friends over here, and especially, my Honourable friend, Mr. Witherington, if in his own country the Government of Great Britain had given them an assurance, "There is terrorism going on here. But we cannot bring the men before an open Court. The Scotland Yard has been investigating the case with meticulous care, and you should depend upon them,"—I ask, if a Government, making such a statement there, would have lasted even twenty-four hours? Would such a Government be worth a moment's purchase in Great Britain? Then, may I ask what is the meaning of all this? Again, can Government indicate the time, near or approximate, when they expect to release these people? They say, when there is a change, an improvement in the situation. When is the change coming? We have already seen a considerable betterment in the situation. This procedure of detaining people on suspicion, on uncorroborated onesided confessional evidence, is one which is repugnant to all canons of civilized jurisprudence. It is extremely disgraceful that the British Government would stick to such a principle of indiscriminate arrest and indefinite detention of persons whose offences have not been proved. It is said that the Government cannot bring them into a Court of Justice, because it is apprehended that the witnesses, the judges, the magistrates, will be in constant fear of losing their lives, constant fear of being murdered or assasinated by "potential", or kinetic, if I may say so, terrorists. Do the Government seriously mean to press forward such an argument? Do the Government mean to say that their police is so ineffective and inefficient in this country that they cannot protect these men? Can that argument be seriously put forward, especially in my province of Bengal, where there is a disproportionately heavy expenditure on the police and the military, and all the nation-building departments are being starved in order to feed fat the police and the military? Do they mean to say that the police is in such a hopeless plight, or that it is so inefficient, that if you bring detenus into open Court for an open trial, there will be wholesale murders of witnesses and judges and magistrates? If so, that is the greatest indictment against British rule in India. That condemns it more than anything else that, after a hundred and seventy years of rule in this country; they have not been able to manage things in such a way that they can bring offenders to trial in an open Court. And that Court is their own

Court, not a Congress Court. It is their own constituted Court. Try them in those Courts, and, if they are guilty, put them in jail. We do not stand for violence or terrorism, but, what we do stand for is the vindication of justice, the vindication of the noble principle of individual liberty, which is more sacred to a man than anything else. We have been told by the Honourable the Home Member the other day that the Bengal Government is doing all it can to ameliorate the conditions of these detenus. 80 persons are going to be given industrial and agricultural training? That does not touch even the outer fringe of the whole problem. We have 2,500 detenus, and, out of them, only 80 are to be trained to handle a spade or a scythe, or to manufacture sticks or handles of umbrellas.

An Honourable Member: Arrangements are being made.

Pandit Lakshmi Kanta Maitra: Yes, arrangements are being made for the training of these detenus to fit them for a better life. Cogitation is going on, and we do not know how it will end. But in this respect we stand on a definite principle. You cannot deprive a man of his liberty and then give him something by way of recompense. Sir, individual liberty cannot be bartered away like that, and anything which deprives a man of his liberty deserves the strongest condemnation of this House. Nobody should be deprived of his valued right of citizenship and liberty—on mere suspicion, however strong—that is a proposition which admits of no compromise. Sir, one great argument against the release of these political prisoners is that on several occasions in the past when steps had been taken to release them, there was a recrudescence of terrorist crime. May I know from the Government if it is their case that these 2,500 detenus are the identical set of persons, this fixed number, who are always responsible for these terrorist outrages? Is it their contention that, so long as these people are kept in detention, terrorist outrages decrease, but the moment they are set at liberty, these crimes increase or there is a fresh recrudescence of terrorist crimes? Certainly, such an argument is not only fallacious, but simply ridiculous. The reason must be looked for far deeper than on the surface. The Government have never probed into the question as they ought to have done. They have simply tinkered with the situation. After all, it does not pay anybody to gamble with one's life, to risk his liberty or to risk his all. Why is it that young boys and girls enter upon a scheme of murder and assassination on a wide scale? They ought to look for reasons far deeper. Have they tried to apply their mind to the broader issues, to the real causes which have brought about such a condition of things in this country? Sir, whenever there is a defect in the Constitution, we find from the history of political movements, there is discontent, and as soon as discontent manifests itself, repression follows, and then there is greater discontent and wider manifestation of it, and greater repression is pursued, and thus the vicious circle moves on. If they had taken the trouble to analyse and get into the root cause of this trouble, and if they had tried to remove them earlier, probably they would not have been faced with the present situation. Up till now, we have heard nothing from the Government of India except a stray passage from the Government of Bengal to say that they are applying their mind to the problem. Sir, terrorism cannot be cured by terrorism alone, something else has to be done, and the root cause is economic distress. Sir, it is no surprise that, of all the provinces in India, my province of Bengal is the most

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famished province; all the nation-building departments have been practically starved. If the bulk of the revenue of a province is spent on the salaries and allowances of Government officials, the military and the police, if there is no scope for youngmen to enter upon industrial or other kinds of useful careers which will enable them to face the battle of life, what should these youngmen do? The Government have always tried to squeeze out as much money as they could, with the result that there has been acute economic distress in the country, which is the breeding ground of discontent and terrorism. If they had applied their minds to solve the economic problems of the country, if they had opened out new avenues, new careers for our youngmen, the situation would certainly have been different today. . . . . .

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member's time is up.

Pandit Lakshmi Kanta Maitra: If that is so, Sir, I will close now. I conclude by saying that this policy of detention without trial is a policy which stands self-condemned. It is repugnant to all notions of justice and righteousness. It is indeed a surprise that Sessions Judges in this country are called upon to do duties which are so revolting to their judicial instincts. Recently, Sir, we had an adjournment motion in this House about the ban on the return of Mr. Subhash Chandra Bose, and what was the attitute of the Government? The theory of potential culprit was trotted out. Mr. Subhash Chandra Bose has been banished from the land of his birth for his patriotism, and when he wants to come back to his own country, we are told that he is such a potential danger, such a potential menace to this country that the whole of the atmosphere will be changed to such an extent that there will be disaster and chaos in the country. My friend, Mr. Witherington, was telling us today that these detenus are potential terrorists and that there are great potentialities of danger. Sir, I say that every man has potentialities of both good and bad in him. Is it his contention that because a man has some potentialities of evil in him, he should be put into jail indefinitely, and that my Honourable friend, Mr. Witherington, and his friends only be left to enjoy unchartered liberty to get on merrily in this country and to do whatever they like with it and the 350 millions of people? Sir, I would, therefore, ask my Honourable friends to support this Resolution, because it is a vindication of a principle, it is a vindication of justice, and, on grounds of justice, on grounds of equity and on grounds of humanity, I would ask them to support this Resolution. (Loud Applause.)

Dr. J. H. Hutton (Assam: Nominated Official): Mr. Deputy President, as a representative of the Assam Government, I oppose this Resolution. The Government of Assam has always held the view that prevention is better than cure, and it is supported in their opinion, I maintain, by the general public of Assam. When the Criminal Law Amendment Act was before the Assam Council, a motion for circulation was rejected by 33 votes to 14, a motion to refer it to a Select Committee was rejected by 29 votes to 19, and an amendment to the effect that it should remain in force for two years only was also rejected by 35 votes to 9, and, of these 35 votes, only 9 were either Ministers or official Members. That, I think, is proof in itself that Assam as a whole does not regard the Act under which these persons have been detained as a desperately unjust law. . . . .

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): How old is that Council?

Dr. J. H. Hutton: The one point, I think, in favour of the Criminal Law Amendment Act is the results it shows. The Honourable Member from Sylhet said that there was no terrorism in his district. I very much doubt if the Law Member in Assam, who also belongs to Sylhet district, will agree with him. I may tell my Honourable friend that I think the Law Member of Assam himself examined the cases of those detenus that we have in Assam. I think there are only three under detention at present in jail, and that he was satisfied that it is necessary to detain them. Then, the Honourable Member from Sylhet said that there were no outrages or political crimes at all in his district; I would remind him of the occurrences at Kalighat, at Umednagar and at Jaldukha, and I think it is not insignificant that when, I think, ten Sylheties were arrested after the Act was passed in 1934, it made an immediate change in the number of political crimes in the province. Further, it reduced at once the number of thefts of firearms; the number of such cases reported in the Province is as follows:

In 1930, there were 40 cases.
In 1931, there were 46 cases.
In 1932, there were 55 cases.
In 1933, there were 41 cases.

And it was the information of the Government that a very large number of these thefts were of a political nature; but, after we put away some principal centres or rather foci focuses, if I may speak of a person as a focus, of political crime, the figure came down to 17 cases only.

Then, the Honourable Member talked also about the length of the detention. I think it is within his knowledge that the Government of Assam released at least six detenus last autumn from detention in jail, substituting restriction in their villages, and I have not the least doubt, and I don't think he has any either, that as soon as the Government are satisfied that restriction to their villages can be relaxed without increasing crime, those restrictions on their movements will also be removed.

Then, Sir, the last speaker argued that if some particular persons were removed from pursuing their political activities, if they were kept away from political activities, there would be no decrease in political crime. That at any rate, Sir, is not the experience of Assam. In regard to the district of Sylhet, I may say that when certain persons, who were well-known to the police and to the Government, were put under restraint, political crimes decreased in number, and the fear is that, if they are let out again, those crimes will increase. It is better that a few persons should be kept under detention than they should be allowed to murder others and should then be hanged for doing so, it saves double lives.

Mr. Sham Lal (Ambala Division: Non-Muhammadan): Sir, I rise to support the Resolution moved by my Honourable friend, Mr. Mohan Lal Saksena. The position, so far as the Government are concerned, is that they take up a position and then begin to invent arguments. That used to be the position when the situation improved and when there were no revolutionary crimes and the question of release could be considered. Today, the Honourable Member from Assam says that it is on account of the

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detention of these 2,500 men that the situation has improved. We ought not to release these persons if the situation is bad, we ought not to release these persons if the situation is good. This is arguing in a circle, and I do not think we can reach any result, and there can be any time when it can be said that the situation has improved, and even if the situation has improved, it would be credited to the action taken by the Government. There used to be the argument that these persons, who have been detained, are not revolutionaries or terrorists, but, as quoted by you, from the reports of 1934 and 1935, they are potential anarchists. They have got leaning towards terrorism, but today the argument is actually advanced that they are actual terrorists and that preventive action has been taken against them. The position is really this—can these persons remains in detention on the *ex parte* reports of police officers? How long is this detention to continue, and the third point is, even if the situation in the country improves, should they be released. Mr. Hands, from Bengal, clearly stated that there is every sympathy with those persons who have been detained, and it is, after all, not a pleasant task to keep them in detention, but the circumstances compel the Government and he has put the case of the Government.

As Mr. Aney remarked, Mr. Hands has got hands, but the Government he represents have got no heart. They cannot feel at any time that the time has arrived when these young men detained without trial should either be put on their trial or released. His arguments are that, in committing a terrorist crime, elaborate preparations are to be made. The place is to be selected, the time has to be selected and the habits of the person who is to be murdered has got to be studied; the place of shelter is to be selected, and it would be criminal on the part of the Government having information in their possession that a terrorist crime is going to be committed and there are some persons against whom there is information, if they did not detain them. That is the case. These things are done secretly. Generally, the information is obtained from members of the party, and if we put the members of the party in the witness box, there is risk of their being murdered. That is the position of the Government for the present. The position of the Government is that at one stage these 2,500 persons were party to the crime. They were accessories before the act or accessories after the act, and it was in order to prevent the commission of the crime that these persons were kept under detention. Now, let us take the argument as correct that at one time the Government had information with regard to these persons that they were in some way connected with revolutionary crime, and it was in order to prevent the commission of the crime that this action was taken. I would submit that, as a matter of fact, if they had been put on trial before any Court, they would have got two or three or four years, because they were only accessories before the crime and by this time they would have served their sentences. With regard to the persons who actually committed the crime and whom you put before the Court, they would have also served their sentences and they would be living as free men now. Now, are these men to be detained for life? What is the criterion? How and when are they to be released? The position of the Government is that these men are to be judged by their antecedents and not their mental attitude in jail. Then, I put the question, when will the time come for their release? When there is quiet and

there is no revolutionary crime, you say it is due to the action of the Government. If antecedents are to be the sole criterion, then when are they to be released? That is the first question.

With regard to the second question, Mr. Hands has clearly stated that they get information from party-members. It is the police who make the report that they have got information from a member of the party. How are the Government satisfied that the information which the police have got is from a member of the party? If a person gives you information and if an assurance is given to him that he will not be put in Court, and that he could not be subjected to cross examination if there is that sense of security, then the informer or the so-called member of the party will be inclined to concoct evidence and invent any story he likes. It is in order to decide whether you have actually got information from a police informer who makes a living by making false reports or whether he has actually got information from a person who is a member of the party or whether he is an *agent provocateur* that we want the matter to be brought before a Court of law. If all these police reports were to be believed, there is no use of a trial. You say it would have been criminal on the part of the Government if they had sat quiet when they have definite information before them. Now, Sir, this preventive action can be taken only when the atmosphere warrants such action. When there are no crimes and no crimes are apprehended, where is the hitch in producing these men before the Court and producing your evidence and get them convicted? Where is the necessity for preventive action at this stage? Preventive action might be necessary for you at the time when they were actually arrested, and I think it is the consciousness of the weakness of their case that prevents them from bringing the case before the Court. My position is this. Any number of arguments can be invented, but really it is the conscience of the Government itself, that is concerned. The Government having suppressed the liberties of the people, having suppressed the free expression of opinion of the people, knowing full well that they are not a popular Government, are afraid of their own shadow; they are afraid of everybody, they suspect everybody, they begin to think that every young man who has got any patriotic feeling is a revolutionary; that is the mentality of the Government. (Hear, hear.) Otherwise, these people are quite innocent.

Now, Sir, I quote a specific case, and I put it to the House, and the House can judge. The Honourable Member has quoted some cases, and now I can quote one case. There was a case of one Mr. Iqbal Krishna Rama Krishna booksellers, and the Honourable the Home Member can note and ascertain if it is a fact or not. Now, this man was arrested and convicted for the possession of a revolver and sentenced to two years' rigorous imprisonment. He was acquitted by the High Court and the Judge held that the revolver had been planted in his house. He was acquitted, and, then, after he had been acquitted, a watch was kept over him. The police was after him. If he went to his shop, a C. I. D. man would sit there. If he went out for a walk, a C. I. D. man would follow him. He was being shadowed every minute, and he could not do any business. If he wanted to open a shop, they would stand in his way, and they won't let him do any business. He had a passport for England which he got in 1930. He eluded the police, he went to England, the police could not find him, and his brother told the C. I. D. that he had gone to England. He went to England, he learnt printing and became

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an expert in printing, and now he is in Madras in charge of some printing work getting Rs. 400 a month. (Hear, hear.) Now, if the position had remained on thus of his being shadowed by the police, he might at any time have been detained under some of these numerous enactments or under Regulation III of 1818, and his career would have been marred. He has now returned, and, of course, he is teaching printing to other persons also. Now, exactly the same is the position with regard to these detenus. We do not know how many careers this Government have marred of countless, brilliant young men, who, alas, are prevented from learning any craft or business and who might, but for the action of the Government, have proved very useful and profitable citizens of the country. Therefore, the position is this. It has been made out that the Government get the cases tested. Sir, we lawyers know what these *ex parte* decisions are. Let us not assume that the judges are not honest. But let us take up the position that if *ex parte* judgments are to be given, I think such judgments cannot be relied upon. In how many instances, if the defendant does not appear, cases are simply as a matter of course decreed! It has been argued for the Government,—well, these persons have been detained on information given by the police which the Government consider to be reliable. If that were the source of information,—and I do not say that the Government are very desirous or anxious to keep those persons in detention—it certainly does not show that the Government are not or cannot be misled.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member's time is up.

Mr. Sham Lal: And, Sir, just as a Government can be misled, so a judge can be misled, and, therefore, it is that this procedure of a trial has been provided. I think, therefore, if this Government have got any regard for the laws of justice or for a fair trial, it is the duty of the Government to release these prisoners detained without trial, without any delay, and should not keep them in jail for such a long time without trial. Sir, I support the Resolution.

The Honourable Sir Henry Craik: Sir, before I address myself to the main question raised in this Resolution, I should like to answer very briefly one or two observations made by previous speakers, and if the first speaker whose observations I refer to is, Sir, yourself, I trust I shall do so with the respect due both to your position as a Member and to the high position you now occupy. It was observed in the course of your speech, Sir, that the detenus are kept under restraint, only because they are potential, and not actual, terrorists. Well, that, I admit, is true to this extent that they are potential terrorists in the sense that if they were free they would commit terrorist outrages, but they are restrained from doing so by the fact that they are not free. The argument pursued a little further would come to this that, as these people are only kept under restraint because they are "potential terrorists", therefore you ought to release them and you ought to take no action against them until they have committed a murder. Sir, that is not an argument which I can for a moment accept.

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

The second point taken, Sir, was that it is hard on these detenus that their freedom should depend on circumstances outside their own control, that is to say, on the state of the country and not on their own possible reformation. Now, that argument is refuted by the fact that releases are continually taking place, that the form of detention is being steadily relaxed, that more men are being allowed to go into home domicile or village domicile, and that the number kept under detention is steadily declining, and, within the last few months, the figures I quoted the other day showed that the decline has been rapid. At the present, moment, the number either in jail or detention camps is according to the latest figures just over 1,400. I have not with me the figures for other forms of detention, but I can assure the House that it is steadily declining and that the decline in recent months since terrorist outrages of a serious nature have been stopped has been rapid.

That brings me to another point. The Honourable Member for the Chittagong Division said that things were quietening down and it was months since there had been any serious incident. Well, Sir, it is a common saying that one is inclined to miss the very thing that happens under your nose, and the Honourable Member should have been aware that the latest incident, and I think a very serious and significant incident, took place only three days ago in his own constituency. At a village called Feni, in the Noukhali district, an escaped detenu was arrested after putting up a desperate fight with the police and he was on that occasion in the company of an absconder whose name has not been given, but of whose identity I personally have very little doubt, who is one of the most dangerous terrorists in the whole province. That incident is significant, not only because the man was fully armed and put up a fight, but also because he was himself a man who had been under detention, but had escaped from detention.

So much, Sir, for those two speeches. Now, I would like the House to believe that I entirely share the feeling that detention without trial is *per se* an odious thing in the eyes of law. But that feeling must be qualified by a regard to the circumstances under which Government have had to have resort to this admittedly exceptional and admittedly extreme measure. In the first place, I would like the House to remember that the ordinary law presupposes that the great majority of the population are prepared to support the law and are ready to see, and will help in seeing, the wrong-doer punished. That has most emphatically not been the case in Bengal during the last five or six years. It is only lately that has begun. We have had to face a situation when not only a very large section of the population was definitely hostile, but I should say it is no exaggeration to state that in certain districts the majority of the population was so terrorised and so frightened by the activity of the terrorists that they were definitely afraid to support the law in consequence the law had quite clearly and without any doubt broken down. In those circumstances, Sir, not in order to punish, but in order to prevent further outrages, Government were compelled to arm themselves with exceptional powers granted to them by perfectly constitutional means through the Legislature and they have had to use those exceptional powers. So much, Sir, for the theoretical objection to detention without trial.

I would ask the House to observe for one moment the wording of the Resolution. We are advised to release or direct the release of all

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persons detained without trial. We are not advised—let the House mark the words—we are not advised to put them on their trial, we are not advised to take measures to expedite their release, a process which I should say is steadily going on, but we are advised to release here and now and all at once all the prisoners detained without trial. What would be the result. What has experience shown would be the result of such a release? On three occasions we have had in the past a general release, a general amnesty of detenus. One occasion was on the expiry of the Defence of India Act in 1919. Early in 1920, all the internees were released, and what happened? Within a year or two, there was a serious recrudescence of terrorist outrages and perhaps the most serious feature of that period from 1920-1924 was that the terrorists during those years succeeded in penetrating inside the Congress organisation. It was in 1924 that the Bengal Provincial Congress first passed a Resolution eulogising the murderer of Mr. Day. In 1923-24, there was a very serious recrudescence of terrorist crimes, the most notable case being the armed dacoity in Chittagong. Then, Government had again to take special measures in 1924 by means of an Ordinance which subsequently became a Regular Act. Between 1924-28, a considerable number of persons, about two hundred, were put under restraint, and, during that period of four years, only one outrage occurred. By September, 1928, again, for a second time, all the detenus were released. (Interruption.) I always know when my arguments are unpalatable by the number of interruptions. Coming to 1930, the terrorists had by then again organised their plans, and, two years after their release, they began once again the most serious and grave series of outrages beginning in April 1930 with the Chittagong armoury raid which as the House will remember was a most formidable and well organised raid resulting in several murders. It was not till 1932 that again special measures were taken, and gradually this serious outbreak of crime was brought under control. It is thus clear that as the Bengal executive were armed by its Legislature with special powers and as they steadily applied those powers, crime steadily decreased, but when the pressure was relaxed, there was an immediate recrudescence of crime. If we were foolish enough to disregard the lessons of experience three times impressed upon us and to accept this Resolution and release the whole of these detenus, who could have the slightest doubt that there would be another immediate recrudescence of serious terrorist crimes? In that sense, my Honourable friend, Mr. Witherington, was perfectly entitled to say that a vote for this Resolution was a vote for terrorism.

Some Honourable Members: No, no.

The Honourable Sir Henry Craik: He is perfectly entitled to say that if Government acted on this Resolution, there would undoubtedly be a recrudescence of murder.

Some Honourable Members: You are wrong.

The Honourable Sir Henry Craik: Three times I have been right and have been proved to be right.

Mr. S. Satyamurti: You may succeed the fourth time!

The Honourable Sir Henry Craik: A man who deliberately disregards the lessons of experience in that way . . . .

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Why do you disregard the lessons of history?

The Honourable Sir Henry Craik: I cannot describe him in polite language.

Mr. Mohan Lal Saksena: I will specify him when I reply.

The Honourable Sir Henry Craik: Let me take one other point. The supporters of this Resolution are all Members of the Congress Party and that fact seems to me to be somewhat significant. There would be no support for such a Resolution and there has never been such a Resolution ever tabled in the Bengal Legislative Council. No doubt Honourable Members will retort to that; "Because there are no Congressmen in the Bengal Legislative Council".

Mr. S. Satyamurti: The Bengal Legislative Council has been given extension after extension, for the past seven years.

The Honourable Sir Henry Craik: That only shows that the only people who sympathise with the detenus are Congressmen. The Bengal Legislative Council, as I pointed out the other day, has passed by a sweeping majority every Act necessary to strengthen the hands of the executive.

Sardar Sant Singh: We do not deny the existence of reactionaries in this country.

Pandit Lakshmi Kanta Maitra: They are all rewarded by extension of their life in the Bengal Legislative Council.

The Honourable Sir Henry Craik: There is another significant fact in this connection. It has been proved to the hilt that many Members of the Congress were concerned in and convicted of terrorist crimes.

Mr. Mohan Lal Saksena: Question.

The Honourable Sir Henry Craik: It has been proved to the hilt. The Honourable the Law Member quoted, I think, 56 cases in which such convictions had been recorded.

Mr. Mohan Lal Saksena: Do you refer to the Congress Party in the Assembly?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member will have a right of reply. Let him not interrupt now.

The Honourable Sir Henry Craik: It is said that Government are making too much of these terrorist crimes and that they are making an unnecessary fuss over the murder of a few officials. Well, the actual figures since 1930 of officials murdered were 24, injured 36, of non-officials murdered 20 and injured 14. These officials and non-officials comprise every class of the community but one. There have been Europeans, both officials and non-officials,—Anglo-Indians, both official and non-official,—Muhammadans, Hindus and women. Among the officials, many of the lower grades such as school masters, railway employees, postmen, motor car drivers and as I say several women. Can any Honourable Member of this House mention to me a single case in which a member of the Congress has been the victim of a terrorist outrage?

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): In Etawah, three Congressmen were shot down.

The Honourable Sir Henry Craik: Can any Honourable Member of the House mention a single case in which the house of a Congressman was subject to dacoity? There have been numerous cases of dacoities and numerous cases of murders in this period.

Mr. Sri Prakasa: The police committed three dacoities in my house.

The Honourable Sir Henry Craik: Among the list of persons murdered or injured, among the list of victims of dacoities and robberies, there is never the name of a Congressman. The point is this that the only section of the community that is immune from terrorist outrages is the Congress, and it is not surprising that they want to have the terrorists released. In the case of the Honourable Member who has moved this Resolution, he is always ready to sympathise with the terrorist whether he is in detention or whether he has been convicted by a Court. He was, I believe, many years ago a very active member of a body called the Kakori Defence Association, and even when the persons convicted of those abominable crimes had been sentenced and had appealed in vain to the High Court, he pursued with every kind of vigour his attempts to get them clemency at the hands of the executive. One of those Kakori convicts, not a detenu but a man convicted in Court of the most heinous crimes of organising dacoity and murder, again commanded the active sympathy of the Honourable the Mover the other day when he went on hunger strike in order to blackmail Government to accede to certain completely preposterous demands. The Honourable gentleman's sympathy is so wide that it extends even to those terrorist convicts in the Andamans. He asked to be allowed to go there specially in order to inquire into their grievances. They are a handful of about three or four hundred amongst some five or six thousand other convicts. He is not interested in the other convicts; he is only interested in the terrorists. It is idle to pretend in the case of the Honourable the Mover that it is merely on a point of principle that he cannot bear the thought of detention without trial. He is equally interested and equally sympathetic to the terrorist whether he has been convicted after trial or whether he is detained without trial. The Honourable gentleman quoted his own

experience. Nine times, he boasted proudly, had he been convicted, and every time, he said, on false evidence, every time on the evidence of a police informer or spy. Now, I rather like to follow up these rash assertions, and so I sent for the judgments in the cases of some of the Honourable Member's convictions. I secured seven of the nine, and I read the judgments with some care. In no case was there any mention of any witness who can by any stretch of imagination be called a police spy. The witnesses were nearly all uniformed policemen or a magistrate on duty. In every single case there was no defence. In two or three cases, the accused himself admitted the commission of the offence and in every case the offence was one that was committed in the sight of some hundreds of people. And yet we are told that this system is so wicked that even the Honourable Member was convicted and wrongly convicted nine times on the evidence of police spies. The judgments which I have read, as I say, with some care entirely failed to corroborate any statement of the sort.

Mr. Mohan Lal Saksena: Sir, may I interrupt the Honourable Member?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member will have a chance to reply.

The Honourable Sir Henry Craik: I now come to another proof of the Honourable Member's sympathy and the Congress sympathy with the detenus. They organised a Bengal Detenus' Day and made a great splash about it in the papers. The actual day was the 19th May, 1935. In spite of the efforts of the All-India Congress Committee, the day was a lamentable "flop". The total amount of money subscribed from the whole of India, according to my information, came to about Rs. 10,000. Of that, Rs. 7,000 was collected in Bombay, the home of the rich, and only about Rs. 150 in Bengal. In two places in Bombay, an appeal for funds produced the magnificent total of Rs. 2,300. But the meetings decided,—they were meetings of the Congress Socialist Party of which I understand the Honourable the Mover is an ornament,—the meetings decided that Rs. 1,000 of that sum, or rather less than half, was to be despatched to Bengal. Rs. 400 was debited to expenses and Rs. 900 was to go to the funds of the Congress Socialist Party. I wonder how much of it reached the detenus. In Madras, two meetings were held in Madras City and the total sum subscribed was Rs. 28. In the Punjab, there was no enthusiasm and in fact two Congressmen,—and I understand quite respectable Congressmen,—thought that the whole thing was a great mistake and wrote to the papers and said so. They addressed the All-India Congress Committee and said:

"It does not behove the Congress to organise the celebration of 'Detenu Day' which is being widely interpreted as indicating sympathy and support of the Congress for terrorism."

(Interruption from Sardar Sant Singh.)

This was in a letter sent to the newspapers by two gentlemen named Sardar Boota Singh and Lala Hari Ram, both Congressmen:

"Although Congress may have no such intentions, as pointed out by you, there is no denying the fact that such a celebration is a great concession to the detenus who are in jail on account of their complicity with terrorism, whether supposed or real. This policy of placating a few Congressmen to the detriment of true principles will be greatly harmful and the sooner it is abandoned the better."

[Sir Henry Craik.]

I venture to think that that was pretty sound advice, and I venture to think that if, instead of constantly showing on every possible occasion their sympathy with the detenus, with potential or actual murderers, in this way, if the Congress had come down boldly on the other side as they did a good many years ago, it would have been far better for the country. The fact is, Sir, that so far as terrorism is concerned, the Congress as a body has not only failed to give any definite lead, but their nebulous attitude affords some real justification for doubts as to their motives in failing to do so. So long ago as May, 1931, at a meeting of the Congress at Ranchi resolutions were passed demanding the release of detenus, the repeal of all repressive laws, the closing down of the Andamans as a prison for convicted terrorists; but the resolution failed to say one single word in condemnation of the outrages and murders which were at that time constantly happening. A few days later, on the 8th May of that year, there was the abortive attempt to assassinate the Governor of Bengal at Darjeeling. On the 16th and 17th May, that is, eight days after that attempted murder, a meeting of the All-India Congress Committee took place at Patna. There was then clear evidence, published evidence in the papers regarding the conspiracy to murder the Governor. The All-India Congress Committee passed various resolutions. It totally ignored that outrage. It failed to say one word in condemnation of terrorism as a whole. Has that omission ever been made good? No Member opposite can produce a resolution of the Congress as a whole condemning terrorism within the last five years. It may have been condemned—I do not say it has not been—by individual members, but no individual condemnation . . . .

Mr. M. S. Aney: It has been condemned by the All-India Congress Committee.

Mr. M. Asaf Ali (Delhi: General): It has been condemned times out of number.

The Honourable Sir Henry Craik: No, Sir, it has not. It is not enough to say that individual members of the Congress have condemned it, but Congress as an organisation has given no indication, no lead, against terrorism.

Mr. S. Satyamurti: This is very unfair.

The Honourable Sir Henry Craik: Whatever improvement has taken place in the general attitude in Bengal—and I am glad to say that there has been improvement, but not so great as some Members have made out—whatever improvement has taken place in Bengal, the Congress has played very little part in bringing it about, and until they take a definite stand against this abominable form of crime, it seems to me that their claim that their policy is based only on non-violence must fail to carry conviction. Until we know definitely that the Congress as an organisation will really oppose terrorism and will do its best to stamp it out, I say that there can be no general release of the detenus. Gradual releases will go on as they are going on now, but, for a general amnesty and the risks which such a policy involves, we must wait till there is some far greater, far more drastic, far more revolutionary change than has yet occurred in public feeling in Bengal. (Loud and Prolonged Applause.)

(Some Honourable Members rose to speak.)

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable the Mover wishes to reply, he can do so now.

Maulana Shaukat Ali (Cities of the United Provinces: Muhammadan Urban): With your permission, Sir, I would like to take part in this debate.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Mover wishes to reply, he can do so; otherwise the debate is closed.

Mr. M. Asaf Ali: There has been no suggestion for closure from any side.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is in charge, and it is in accordance with the ordinary practice that he, on behalf of Government, should wind up the debate subject to the reply by the Mover.

Mr. S. Satyamurti: On a point of order, Sir, No Member is in charge of this Resolution. It is our Resolution.

Mr. President (The Honourable Sir Abdur Rahim): The Chair means he is in charge of the subject. The Chair is merely following the ordinary practice.

Mr. Mohan Lal Saksena: Sir, I hope you will extend a reasonable time to me so that I may be able to reply to all the points that have been made by the Honourable the Home Member. The first thing that he said was about the wording of the Resolution. He gave the impression that if the Resolution had been worded otherwise than it has been and if we had asked Government to expedite the release of political prisoners after considering each case on its merits, he might have accepted it. But I want to tell the House that only the other day a Resolution was brought in the Council of State by Rai Bahadur Lala Mathura Prasad Mehrotra. That Resolution only wanted the cases to be examined by a judicial committee consisting of Judges, but it was not accepted by Government in the Council of State.

The Honourable Sir Henry Craik: It was not accepted by the Council of State.

Mr. Mohan Lal Saksena: Government did not accept it. If Honourable Members will read the speech of the Home Secretary, they will find that he did not want to accept the Resolution. So I hope Honourable Members will not be carried away by the arguments of the Home Member.

The second point that he raised was that no such Resolution was ever moved in the Bengal Council and that these prisoners were being detained statutorily, because their detention has been approved by laws enacted by the Bengal Council. I know—and Honourable Members here know—how long that Council has been in existence. It was elected in 1929 for

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a term of three years, since then, its life has been extended from year to year, and it is still going on, and it will go on unless Government are compelled to dissolve the Council statutorily. But, what is the verdict of the public there? There was an Assembly election there, and all the candidates were Congressmen. Leave the Congressmen alone. The Honourable the Home Member said that this Resolution has been supported only by members of the Congress Party. May I know if Mr. Anwar-ul-Azim, who has been voting all along with Government, is a member of the Congress party? Does he not come from Bengal, and what has he got to say? He said that Government ought to change their policy, and I think the Honourable Member was unfair in saying that this Resolution has no supporters other than the members of the Congress Party. Who is Mr. Mathura Prasad Mehrotra, Member of the Council of State? He is a talukdar, he has got his stake in the land, he is a man who can be a victim of the terrorists, there can be dacoities in his house, but still he brought this Resolution in the Council of State. So it is entirely wrong and misleading to say that this policy is being supported by no section of opinion excepting the Congress . . . . .

The Honourable Sir Henry Craik: I said nothing of the kind.

Mr. Mohan Lal Saksena: Then, Sir, it does not lie in the mouth of one who has been flouting the verdict of the Assembly every day to say that this Resolution has been opposed by the Bengal Council, and that otherwise action would have been taken? Was not this question raised during the budget discussion on the Home Department issue? Did not the Home Member make a speech that very day- probably he delivered the very speech which he had prepared for this Resolution—and after hearing his speech the House passed a vote against the Home Member. Honourable Members should not be misled into believing that a vote for this Resolution will be a vote of confidence in the terrorists. Nothing of the kind. When, the other day, after the speech of the Honourable the Home Member, the House passed that motion, it does not mean it was a vote of confidence in the terrorists. It is a vote for justice and fair play, it is a vote for the vindication of the civic rights and liberties of the people which Englishmen value so much. It is a vote, again, for humanity and good conscience. It will be a vote for future better relations between the people of this country and that of Great Britain. So I hope that Honourable Members will not be misguided by the Home Member's argument.

Then, Sir, the Home Member came forward and said that so far as he (meaning myself) was concerned individually, his sympathies were always for the terrorists—not only for those detained, but for those who had been convicted. I can only say that since we have come here we have been looking forward for a change of heart, but leaving the change of heart alone, there is no change even of vision. The vision is jaundiced with power and prejudice, jaundiced with fear, mistrust and suspicion, jaundiced with hatred and haughtiness, jaundiced to such an extent that every peaceful activity appears to be red to the Honourable the Home Member. Even avowedly declared peaceful associations like the Khudai Khidmatgar and the Hindustani Seva Dal are, according to him, allied with terrorism and Communism. His vision is jaundiced to such an extent that every activity on our part, whether it be in the shape of questions to

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bring to the notice of the Government the sufferings and hardships of those detained or whether it be an endeavour on the part of the Members of the House to get first-hand information regarding the conditions of detention in Bengal or regarding the administration of repressive laws in Bengal, or whether it be to raise some money to help those who have not been provided for and who are the victims of this repressive policy of the Government, all these activities seem to him to be inspired by one motive and one motive alone, namely, sympathy for terrorism. I submit that that is not so. These things appears so to him, because his vision is jaundiced, and unless that is removed, he will hold the same opinion. I have come to believe that the Honourable the Home Member and the Government of India, as constituted at present, are incapable of learning anything from the past or looking ahead to the future. We have asked the Government to have a dispassionate diagnosis of the causes of the present discontent and unrest. We have told them that Communism and terrorism are merely a symptom of a deep-rooted disease.

(At this stage, the Honourable Member paused for a minute.)

Sir, in view of the sweeping attacks which the Government have made on the Congress, the debate should not have been closed without giving a further opportunity to the Congress Party to participate in the debate. The Congress Party, therefore, records its protest by declining to take any further part in the proceedings of the Assembly in connection with this Resolution. (Laughter from the Official Benches and Opposition Applause.).

Mr. Akhil Chandra Datta: Sir, In order to remove certain misconception I think I owe it to myself and to Honourable Members to tell the House under what circumstances, when I was occupying the Chair, I called on Sir Henry Craik to speak. I was never told that he was replying. Several gentlemen stood up, and out of respect for him as Home Member and as a senior Member, I called upon him to speak. It was not my idea to close the debate.

Mr. President (The Honourable Sir Abdur Rahim): As I have already stated, the ordinary practice is on a Resolution like this for the Honourable Member of the Government who is in charge of the subject to wind up the debate, subject to a reply from the Mover of the Resolution: and finding that the Honourable Sir Henry Craik, the Home Member, was winding up the debate I followed the ordinary practice: otherwise he would have lost the right, that Government enjoy under the practice, of winding up the debate. I shall now put the question to the House. The question is:

"That this Assembly recommends to the Governor General in Council to release, or direct the release of, all political prisoners detained without trial."

The motion was negatived.

RESOLUTION *RE* IMPORT DUTY ON UNBROKEN RICE AND PADDY.

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I move:

"That this Assembly recommends to the Governor General in Council that an import duty of rupee one per maund on unbroken rice and annas eight per maund on paddy be levied."

Sir, representing as I do the area of Bihar and Orissa, where the chief crop grown is rice and paddy, I think it is my duty, both in the

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interest of my constituency and of the whole country, that I should move this Resolution. It is essential that these areas should be protected and developed and special regard should be given to their agricultural conditions, their cost and their value, and, in this way, protection for rice-growing areas should be adequate. Recently, we have seen broken rice and rice in husk being imported into India by Siam and Indo-China to which places we used to be important exporters of rice even a few years ago. Not only that, but even Japan exported rice to us last year and the year before last. I may inform the House that, only a few years back, we were the biggest exporters of rice, not only to Bangkok, but also to Japan and China. The import of rice from other parts of the world into India is substantial. It is hampering our agriculture: this dumping by Indo-China creates unhealthy competition in our only industry—the poor land industry of agriculture. In the absence of any material encouragement having been given to the agriculturists, at least a moral support of protecting our agriculture should be the least that we can expect and the least that the Government should give. I may further say that, as rice is one of the staple foods of this country, there should be given a chance to all such areas to develop their lands under cultivation which are not so occupied, and this is not possible unless agriculture is made profitable and unless we find that paddy fetches a price which makes it profitable to grow. In this connection, I may further inform the House the fate of the jute growing areas in Bengal and Bihar when it actually so happened that, by commercial combines and jugglery of foreign consumers, the prices of jute were reduced to a point where even the harvesting of jute was more costly than the value which could be realised by the sale. Everybody knew that the European combines were often making huge profits on the Indian products and playing with Indian agriculture. The poor agriculturist growing jute and the people connected with such lands had no option as they could not replace jute by paddy as it was also profitable to grow. The question of growing rice and paddy as a substitute for jute became an acute question for the reason of finding a suitable market for it at a price which would make it profitable for those engaged in the cultivation. People may say that it may be to the disadvantage of the consumers, but this is another fallacy which is often introduced by that section which wants to profit themselves by creating competition in our own products. Let us examine this fallacy. Who are the consumers in this land? Out of 100 per cent consumers, or population, over 70 per cent. are engaged in agriculture, and 30 per cent. more or less are engaged in other professions of life. To sacrifice 70 per cent. in the interests of 30 per cent. is not at all equitable. Besides, I may further inform the House that the allied professions depend practically on the prosperity of the agriculturist. Take law or medicine or other lines. It will not be at all a sacrifice as some people are being impressed.

Now looking to the figures, we find that in 1933-34, the import into India of rice in husk was 1,303 tons in 1934-35, it was 1,07,197 tons, and in 1935-36, it was 92,924 tons. The imports of rice not in husk were 45,176 tons in 1933-34; 2,32,794 tons in 1934-35, and 76,212 tons in 1935-36. This year, imports in January alone are 16,975 tons as against 5,855 tons last year. It may be argued that the imports in 1934-35 showed a decrease definitely, but, from the figures for January, 1936, it is clear that the situation appears to be grave and that the imports from Indo-China and Siam might increase in total.

Now, looking to the value, we find that millions of rupees worth of rice are being imported here from other parts of the world and, at this speed, I am afraid, the rice industry, which is the only so-called industry in this country, will be considerably damaged. I, therefore, strongly urge that this Assembly should recommend to the Governor General in Council that an import duty of rupee one per maund on unbroken rice and annas eight per maund on paddy be levied in the interest of the agriculture of this land and in the interest of the people of this country. Any import from foreign countries of our agricultural products is against the interest of our land, and, with these few words, I resume my seat.

Mr. President (The Honourable Sir Abdur Rahim): Resolution moved:

"That this Assembly recommends to the Governor General in Council that an import duty of rupee one per maund on unbroken rice and annas eight per maund on paddy be levied."

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I rise to support this Resolution, and, in doing so, I wish to state that it is not because I am a whole-hearted supporter of the policy of full-fledged protection to our industries to be given indiscriminately, but because I am perfectly convinced that this particular section of the agricultural industry needs this protection and it ought to be given. Sir, this protection ought to have been given long ago, this protection should have been given nearly five years ago as soon as the dumping of rice and broken rice and paddy began from Siam and Indo-China, but the Government were always indifferent to the plight of the agriculturists and were unwilling to do anything in time. Even last year this House passed a Resolution unanimously demanding protection for agriculturists, and it was after the Crop Planning Conference had made its recommendations and the Sub-Committee of the Imperial Agricultural Council had also supported that particular Resolution, and after the Madras Government had pressed it very hard upon the attention of the Government of India the necessity for affording this protection to the agriculturists, that the Government of India had thought fit to afford a very slight bit of protection to rice and paddy growers in this country. We asked for protection for all kinds of imports of rice into this country, and we got only a very inadequate protective duty upon broken rice alone. We were told at that time that the real import which affected our rice in this country was broken rice, and, therefore, it was said then that it would be enough if protection were extended to broken rice alone and not to all kinds of rice imports. We were also assured that the particular duty would be enough to bring down the imports of rice into this country and it would help the agriculturists, but as my friend, Mr. Nauman, has shown us, we find that, during the last ten months of 1935-36, the imports of rice and rice in husk have not fallen very perceptibly when compared to last year, and these imports are certainly a menace to the rice growers of this country.

It is easy for the Government of India to say that if import duties were extended, not only to broken rice, but also to rice in husk and rice, the consumers would be affected. Sir, I am myself anxious to protect the interests of the consumers; I am myself anxious to see that when-

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ever protection is given to any industry in this country, the interests of the consumer are protected, but at the same time it must be said in fairness that the producers must be assured of their cost of production and justice. When we ask for a minimum wage for our workers, we should also be prepared to demand a minimum wage for our agriculturists. It is not reasonable either for this Government or for the consumers or others who claim to speak on behalf of the consumers to maintain that the producers should be allowed to go to rack and ruin in order that the consumers should be benefited and in order that this Government may be allowed to go on without doing anything for the agriculturists.

Sir, the rice industry is the biggest industry in this country. It takes the first place in the crop planning of this country. It comes first amongst our crops, and there are as much as 80 millions of acres of land under rice. The only other crop which comes anywhere near it is wheat, and its acreage is 27 millions acres and more. Sir, the rice industry has fallen on bad days. Why is it so? It is because, I maintain, of the policy of this Government to do nothing whatsoever to relieve the severity of the economic distress. Only this morning, at question time, we asked this Government as to what they proposed to do to relieve the distress of the people, to relieve the acute economic distress. The Honourable the Finance Member was good enough to say that he was not going to adopt any of the monkeying methods that are being adopted by various Finance Members in other countries, that he was not going to adopt any suggestions made by this side of the House during the last 14 or 15 months. In fact, he was good enough to characterise all our suggestions as idiotic. Sir, it is because the Government have been so indifferent all this time to the plight of our peasants, to the plight of our rice growers who have under them the largest amount of land under rice cultivation, that we are obliged to seek protection from this Government. Sir, it is not a pleasure to me to come here and plead for protection for the biggest industry; it is not a pleasure to me to ask Honourable Members of this House to support this Resolution in order to protect the growers of rice and millions of peasants. If, Sir, it has become necessary for us to ask for protection for one of the largest industries of the world, then what is the position with regard to the other industries? What would be the limit of our demands for protection? We are placed in a very unenviable position, because this Government have done nothing whatever. And what is more, they have done many things to aggravate the economic distress.

As I put it this morning, and as the Finance Member was not able to deny the fact, there has been an actual contraction of currency in this country during the last five years. Gold exports there have been, and one would have expected that, in place of these gold exports, there would be a healthy expansion of our currency and a healthy free flow of money from Government into the hands of the peasants. But, instead of that, we find that there has been an actual contraction of our currency, with the result that the prices have shown a progressively downward trend. Sir, it is easy for the Honourable the Commerce Member or for the Secretary in the Department of Education, Health and Lands to maintain that, after all, the prices of paddy even have shown a tendency to rise during the last 14 or 15 months. But, by how much, I would like to know. The

price of rice in 1929-30, according to their figures, was Rs. 6-6-0 per maund of 82 2/7 lbs. It came down to Rs. 3-2-0 in 1933-34, and it is not more than Rs. 3-9-0 even today in this country. It is not, therefore, easy for them to come and say that, after all, the condition of the peasants has been improved because of this duty, the unsatisfying duty upon broken rice, and so the peasants ought to be satisfied with it. Really speaking, their condition is worsening day by day. Last year, there was some talk of debt relief legislation in the Madras Presidency, but nothing has come out of it. There was some legislation passed in the Central Provinces for debt conciliation boards, but nothing has come out of it, merely because the Central Provinces found it impossible to finance the debt conciliation boards. They were obliged to spare one lakh of rupees from the rural development grant for opening four debt conciliation boards. The Punjab Legislative Council has passed some legislation, but the Governor has sent it back for further review and amendment by the Legislative Council. Even in regard to the debt relief, the Government have been failing in their duty to relieve the peasants.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is really wandering away from the subject. He will confine himself to the Resolution.

Prof. N. G. Ranga: Because of the fall in prices of paddy . . . .

Mr. President (The Honourable Sir Abdur Rahim): That is far too remote. He must confine himself to the Resolution.

Prof. N. G. Ranga: If you will listen to my argument, Sir, ...

Mr. President (The Honourable Sir Abdur Rahim): The Chair has been listening to the Honourable Member's argument. He must be really relevant. He had better confine himself to the Resolution itself.

Prof. N. G. Ranga: Because of the fall in prices, the weight of the indebtedness of the agriculturist has become too great, it has been redoubled and they have not been able to pay off their debts.

There has been an invisible drain of their resources, from them to the non-agriculturists, to the urban classes, to the salaried classes, because their grain has had to be sold at less than half the price for which it was sold in 1929-30. It is time that efforts should be made to raise the prices of the agricultural commodities. It is time that efforts should be made to improve the condition of these peasants in their bargaining capacity with non-agriculturists and in their bargaining capacity with manufacturers by adopting this particular Resolution and the course suggested therein. We do not ask for very much: we do not ask for permanent protection. We ask for temporary protection, and this is to go on for one year. If, in the meantime, conditions were to improve, imports were to be lessened and there was no fear at all of these imports, then it would not be necessary for us to have to come here and ask this Government to continue this particular protection.

It may be said that the total amount of rice produced in this country will not be enough for all the consumers in this country, and, therefore, it is always necessary to keep the door open for foreign imports of rice, rice unhusked and paddy in this country. I am prepared to admit this much, that, if Government were to come to the conclusion, after making a detailed survey of the total needs of the country for rice, rice unhusked and all

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other by-products of rice, that foreign imports were really necessary, then it was for them to follow the practice of issuing licenses so that there would never be any kind of dumping at all as there has been in the last three or four years, even as has been admitted by Government, in the case of broken rice. But I do not want the Government to trot out the argument of the insufficient supplies of rice in this country for consumers and then say that they propose to do nothing whatsoever beyond what they had done last year and what they propose to do this year by imposing a duty on broken rice. I claim, although they seem to think that as much as three million tons of imports of rice are annually necessary in order to supply our people with the necessary quantity of rice,—I think they are wrong in their estimate, and even if they were to be right in their estimate, it would not be impossible for this country to allow that quantity of rice to come into this country from Burma, because Burma has always been our most important importer and we can certainly go on with Burmese imports. In addition to that, if we need any more imports, we can allow other countries to import rice by issuing the necessary licenses as I have already suggested. If Government wish to follow their present policy of *non-possumus*, of having nothing beyond this unsatisfying import duty on broken rice, I can only say that that would intensify the dissatisfaction of the peasants.

They may snap their fingers at the dissatisfaction that prevails amongst the peasants, but as the Honourable the Home Member himself has stated today that the Government are not, after all, so unconscious of public opinion in this country when it suited them, I would like the Government also to note one particular point. All over the Madras Presidency, a Presidency which is responsible for producing nearly one-eighth of the total quantity of rice produced in this country, a Presidency which is mostly affected by these imports, there were peasants' marches. The Government were good enough to state here in this House that there were some four hundred peasants altogether in a peasants' march in which I took part. I can tell this House that there were in that particular march only a hundred peasants who went along with me. That is the way they get their information, but they would not mention the other marches that had taken place all over the country, marches in which five to six thousand peasants had taken part in each, peasants not gathered from towns, but who had come from villages. And all these people had come, not to ask for the continuation of this particular import duty on broken rice, but an extension of it to rice unhusked and cleaned rice. Not only is it the case in the Madras Presidency, it is the case in the Central Provinces, in Bihar and in Orissa. Everywhere these marches are being organised. In Guzarat, only the other day, the peasants were not able to pay their *kists*, the *patwari* and others resigned, and seeing that such extreme steps had been taken by their own officers, the Government were obliged to grant some remission. This is the way in which peasants are expressing their discontent. Is this discontent to grow unabated? Will Government be prepared to exasperate the peasants by refusing to offer even this minimum bit of help to them? If they are prepared to do so, let God alone look after them. If, on the other hand, they wish to do anything at all to help the peasants, then let them adopt this particular Resolution . . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has exceeded his time.

Prof. N. G. Ranga: Is it so?

Dr. F. X. DeSouza (Nominated Non-Official): I want to intervene in this debate just for a few minutes in order to draw the attention of the Government of India to the effects of their neglect of the rice growing industry, more especially in the Madras Presidency. I pointed out the other day that rice growing in this country at the present moment, under present conditions, had become so unprofitable that a large amount of land under cultivation had had to be abandoned. I pointed out that, in consequence of the catastrophic fall in prices, the area under rice cultivation had fallen from 84 million acres in 1931-32 to 81 million acres in 1934-35, and that the outturn had fallen from 33 million 200 thousand tons in 1931-32 to 27 million 719 thousand tons in 1933-34, a fall of 18 per cent. What is the result of this abandonment of so much land under cultivation. Can any Member of the Government of India with a sense of statesmanship contemplate the results of this abandonment of land with equanimity? Look at the state of the provincial budgets. Abandonment of land means that the revenue from land is not paid to the Provincial Governments and the result is that every provincial budget last year showed deficits of very large amounts. The abandonment of three million acres of land means unemployment to those who were engaged in the cultivation of land. Assuming that two acres are cultivated by a family of five, the abandonment of three million acres means unemployment for nearly seven million persons. How is the Government going to meet the deficits in the provincial budgets and the unemployment in the countryside? How do they contemplate meeting this economic collapse in the countryside? There is another and a wider aspect of this question to be considered. Those who have studied the Census Report for the last decennial period will be astounded to know that the population of India has increased by more than 34 million people during the last decennial period. It means nearly 34 million more mouths to be fed and that number will go on progressing by geometrical progression in the succeeding years. Is the Government looking ahead to make provision for the feeding of this vast and increasing population? A suggestion has been thrown out, for the first time in an official publication, that birth control should be resorted to in order to reduce the population. I hope that this recommendation made by the Census Commissioner was not made under the imprimatur of the Government of India. Be that as it may, surely a great Government like the Government of India is not going to look forward to race suicide as a means of saving themselves from the difficulty of feeding the population. When these startling figures were published in the Census Report, Indian economists, with feverish haste, attempted to think out means for meeting the situation. We know what researches were made by General Megaw, lately Director General of the Indian Medical Service, in connection with the problem of nutrition and what the results of his investigation were. He told us on a carefully made calculation that only 39 per cent. of the population were well nourished, 41 per cent. of the population were poorly nourished and 20 per cent. were very poorly nourished. If that is the position, with the condition of rice cultivation and other food grains as it is at present, what will be the state of the nutrition of the population when it will increase by leaps and bounds in a few years as shown by the Census Report. I ask the Government respectfully to consider this question in a serious manner and not to follow a policy of *laissez-faire*.

[Dr. F. X. DeSouza.]

What then do I recommend? Every other country in the world, both on the continent of Europe as well as in Asia, so far as the food supply is concerned, has adopted a policy of self-sufficiency. They have fixed a quota beyond which foreign countries will not be allowed to import rice into their country. Countries in the Far East to which we have hitherto been exporting rice, countries like Siam, Indo-China, Java, Japan and China have all adopted a policy of protection. They have subsidised the growers of rice, with the result that our exports to those countries have fallen from 2½ million tons before 1929 to something like 1½ million tons last year. Is it not our duty then to provide for self-sufficiency so far as food is concerned? I put it also on another ground. We live in fear of war and alarms of war. What would happen if there is an attack by another 'Emden'? My Honourable friend, Mr. James, would remember the terrible havoc caused by one German cruiser when it attacked Madras during the War.

Mr. F. E. James: (Madras: European): People ran away.

Dr. F. X. DeSouza: They ran away no doubt but they have got to be fed. We have got to take steps against starvation. I respectfully ask the Government to consider this question in a spirit of statesmanship and not follow a policy of drift from day to day. I ask them to levy a tariff on rice, such as would make the rice grower to grow more rice and grow it more profitably to himself and to the country. With these words I support the Resolution.

Mr. F. B. Leach (Burma: European): We have had a very harrowing picture drawn us by the last speaker of the appalling state of wars and impending starvation that is hanging over this country, but I must confess that I am at a loss to see how this prospect can be cured or even seriously affected by the imposition of an import duty on rice. Dr. DeSouza gave us a few statistics, and I am sorry to weary the House with more figures, but there are one or two which I should like to give. As he said, the population of India is growing very rapidly indeed. It has grown in the last 30 years by 19 per cent. from 295 to 353 millions of people. It is likely, so far as one can see, to go on growing as rapidly as that in the future. As against that, cultivation is increasing very slightly. The net area sown in British India in the last 20 years has only increased by two per cent. (I take these figures from the agricultural statistics of India), and the area under food grains has increased by an even smaller figure, only about ·8 per cent. Such increases, as have taken place in cultivation, have been mainly in non-food crops. My Honourable friend, Mr. Nauman, asks who is responsible for it. One cause of it is the tremendous demand that there has been during the last 15 years for the industrialisation of India and for growing such crops as sugarcane. If you are going to divert rice land to sugarcane, if you are going to divert your agricultural population in the villages to the towns to work in industries, you must not be surprised if it has an effect on the agricultural produce of the country. I do not see how you can have it both ways. I do not say that that is the only cause, but it certainly is one cause. Another cause was suggested by my Honourable friend, Sir

Homiasji Mody, who spoke in this House a few weeks ago and who said in another connection:

> "It is well-known that agriculture cannot possibly support anything like the population which exists in this country. With our primitive methods, with a precarious rainfall, with a poor soil, with large tracts of unirrigated land, it is quite impossible that agriculture can provide food to the teeming millions of India."

Well, I suppose Mr. Nauman was suggesting that what Government should do was to take drastic steps to improve methods of cultivation in India, so that India can increase her production of food crops as rapidly as she is increasing her population. I wish I was as optimistic as Mr. Nauman is, but it is fairly well-known that agriculture is the most conservative of all industries in the world, and I do not think . . . . (Interruption by Mr. Muhammad Nauman), ... I should be very much obliged if Mr. Nauman will allow me to make my speech. He has made his own speech, and I am endeavouring to reply to him. Now, even the most optimistic person can hardly imagine that the production of food crops could be increased by any very large amount within less than, I should be inclined to say, two generations; perhaps one generation would be a possible limit in this country. Well, within one generation the population in India is going to be well over 400 million, possibly 450 million. Does Mr. Nauman think that the produce of foodgrains in this country can be increased in anything like that proportion? Personally I do not.

Mr. Muhammad Nauman: Why not? What was the position of Australia twenty years back? What were they growing then and what are they growing today?

Mr. F. B. Leach: Sir, Australia is a slightly different country to India. The area of Australia is considerably larger than that of India, and, while her population is some six million, India has a population of 350 million. I have never seen in any book on the subject any reasons given for supposing that the area under rice in India could be substantially increased. The great irrigation schemes of North India are in tracts which do not grow rice. Bengal and Bihar and that part of India are already cultivating now as fully as they can in area, and I am informed with regard to Madras by those who know it that there is not much scope for further irrigation schemes in Madras covering any large area, and rice can only be grown on irrigated land in Madras.

An Honourable Member: What about Mysore?

Mr. F. B. Leach: I believe there is a large scheme covering Madras, parts of Hyderabad and Mysore, but the probability of its being brought into operation in the near future is very small.

(Interruption by Mr. Muhammad Nauman.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better not interrupt the Honourable Member, Mr. Leach.

Mr. Muhammad Nauman: Sir, on a point of information, I only wanted to say that in Chota Nagpur there are still big tracts of land remaining uncultivated, and, as such, rise in produce is possible.

Mr. F. B. Leach: Possibly there may be a small increase. But in no province, and, certainly, of Burma I can say quite definitely, is there

[Mr. F. B. Leach.]

much prospect of any large increase; and, remember, when I am talking of large increases, I mean large increases—increases of 50,000 acres or even of 200,000 acres are useless for this purpose. The amount of land under rice cultivation in India is at present, as Dr. DeSouza said, about 80 million acres. Dr. DeSouza said that this area is decreasing. I do not know where he got his figures from, he only quoted two particular years, and I cannot find any confirmation of that in the Crop Planning Conference report which states that the average area under rice for the five years ending 1927-28 was 80 million acres and the area in 1933-34 was 82 million acres. It is very unsafe, in dealing with rice, to take two particular years and contrast them, you must take quinquennial averages over a long period to see whether there is any real tendency to increase or decrease. A few months ago, I did take those figures for the whole of India and the tendency they showed was a small increase in the last thirty years, and I think for the two years Dr DeSouza has picked out, where he has shown a decrease, there must have been some special reason; I do not believe that there is any real tendency to decrease.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has already exceeded his time.

Mr. F. B. Leach: May I have two minutes more, Sir, as I have been interrupted a good deal. The outturn of 80 million acres of rice is at the outside 40 million tons. The Crop Planning Conference gave it at about 33 million tons. I don't mind taking it at 40 million tons. Now, a ton of rice will feed decently about four people. That gives them about a pound and a half a day each. That means that these 80 million acres are enough to feed about 160 million people. Well, I think I am right in saying that considerably more than half the population of India are rice-eaters. Therefore, I hold that the 80 million acres of rice land in India are quite insufficient without vastly improved methods of agriculture to support the rice-eating population of the country.

The Honourable Sir James Grigg (Finance Member): Hear, hear.

Mr. F. B. Leach: I quite agree that if the methods of cultivation could be improved, it would be an excellent thing; but I do not think that that can be done at once, and I do not think that it is desirable, before you start that, to impose an import duty on imported rice, which is merely going to raise the price of food for the poorest classes of the population.

The Honourable Sir James Grigg: Hear, hear.

Prof. N. G. Ranga: What about Burma?

Mr. F. B. Leach: But I understand the Honourable Member did not wish to apply this duty to rice from Burma. Well, there is just one other point I would like to make, and that is that there has been a good deal of talk about dumping and the harm done to the indigenous cultivator. Now, as I said, the amount of rice produced in India is about 40 million tons, and the rice imported from foreign countries last year, as far as I can make out, was about 360,000 tons,—which is about ·4 per cent. of the consumption of the country!

The Honourable Sir James Grigg: Hear, hear.

Mr. F. B. Leach: I am quite unable to believe, whatever my Honourable friend might say, that 360,000 tons of imported rice, or ·4 per cent of the amount consumed in the country, is going to have any appreciable effect on the general price level of rice.

The Honourable Sir James Grigg: Hear, hear.

Mr. F. B. Leach: I do not believe that this import duty would do any good to the Indian agriculturist. The way to help the Indian agriculturist is to educate him and to try and teach him to improve his methods of agriculture. I do not see why that should not be done. In Japan, the outturn of rice per acre is half as much again as in India, and, if we can work up to that level, then, when we do increase our rice output by 50 per cent. then would the time come to think of putting duties on imported rice, but at present that time has not come.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I listened very carefully to the speech of the Honourable Member from Burma who just spoke. Sir, he comes from Burma and we know all along for several years past that Burma has been exporting rice. Though Burma has been exporting a lot of rice to foreign countries, of late Burma has increased her export of rice to India. The Honourable Member who has just spoken has no intimate touch with the state of affairs in the Southern India, in the Madras Presidency. We all know there is no dearth of rice in this country, there is more than a sufficient quantity of rice in this country, but, unfortunately, cheap rice from foreign countries is competing and we are not able to compete favourably with cheap rice. I heard the Honourable the Finance Member, when the Honourable Member from Burma was speaking to cry 'hear, hear'. I am sorry he is not in his place now. We heard him the other day say that the only way in which he could improve the condition in this country was by making people consume more and more which will induce greater production of the necessary articles and thus improve the industries of this country. I am not able to understand why the Honourable the Finance Member cried out 'hear, hear'. If he wants the people to eat nourishing rice, he can do so only by levying an import duty on rice, because, in that case, cheap Siamese rice will not come into this country. My Honourable friend, Dr. DeSouza, quoted some figures in support of the Resolution but the figures which he quoted no doubt created some suspicion in the minds of some Honourable Members and it is on account of that suspicion that the Honourable Member from the European Group wanted to rely upon those figures and use his argument against the Resolution. I find from the Trade Review for 1934-35, regarding the production of rice in this country and the exports, that production has not gone considerably down. On the other hand production has increased considerably as compared with the figures which we have for 1913-14. In the past years, that is from 1932-33, the production has not gone down considerably. If production has gone down to some small extent, it is because the rice producers are not able to find a proper market here and it is no use cultivating rice when it does not fetch proper price. The rice producing lands have to pay greater assessment and, on account of that, instead of cultivating paddy, for which there is no market here and on account of the cheap

[Mr. M. Ananthasayanam Ayyangar.]

rice that is imported from Siam and other places, they are trying to convert these fields into fields producing other crops. From the figures, I find that India produced in 1913-14, twenty-four million tons of rice and Burma produced four million tons of rice. In that year it was only half a million ton of rice that was exported to foreign countries from India, whereas two million tons of rice were exported from Burma to other countries. In 1934-35, the production of rice in India was 25 million tons, but four million tons were produced in Burma. This year we find there is a large production, but there is less of export. India exported 585 thousand tons in 1913-14 and it has dwindled down to one-fifth million, that is 204 thousand tons. Therefore, the balance is available and has been available for internal consumption. Likewise, we find that the quantity of rice exported in 1913-14 from Burma was to the extent of two million tons and a major portion of it was exported formerly to foreign countries, but now we find that it has been steadily diverted to India proper. On page 97 of the "Review of Trade for India in 1934-35", it is said:

"Even the record of 1933-34, in which year 1,789,000 tons (or 71 per cent. more than in 1932-33) of rice and paddy were exported to India, was surpassed in the year under review in which shipments to India totalled 2,200,000 tons. Of this amount, 1,978,000 tons consisted of husked rice."

Therefore, in one form or other, the quantity that was produced in India and Burma has been available for consumption and has been consumed. Therefore, the consumers' point of view need not be accentuated or emphasized. The consumer will not be put to any inconvenience. There is abundance of rice. The only difficulty is that if instead of offering an unfortunate temptation to the consumer to take inferior rice, if the cheap rice from Siam is prevented from coming into India, then the consumer would take the superior rice available in India and, therefore, both the consumer and the producer will be benefited thereby. Honourable Members of this House may not be aware that last year a Resolution was passed by the Madras Legislative Council—and I am told that the same Resolution has been reaffirmed this year also—that land revenue should be reduced by 33⅓ per cent, that is by five annas four pies in the rupee. Immediately the Government issued a Press communiqué that if reduction is given to the extent of 33⅓ per cent, the total remission would come to two crores and there would be constant demands for more and more remission. Therefore, the Government gave remission only to the extent of Re. 0-1-6 or two annas in the rupee. It is for want of proper market that the people in the Madras Presidency are not able to find a proper sale for their rice so as to enable them to pay land revenue to Government. On account of various other reasons also, such as heavy expenditure involved in cultivation that the people have not been able to pay land revenue. The value of lands is also going down. What then is the remedy suggested by the Honourable Member from Burma? On the one hand we do not find a market for the produce, on the other hand we have to pay heavy land revenue and on the third hand we are put to the incessant necessity of fighting a forlorn battle against cheap rice which is only a bye-product in Siam. We have to contend against such cheap rice. We are now reduced to this position. Though India is the greatest producer of rice in the whole world, we are put to the necessity of asking for protection against the encroachment or

incursions of cheap rice from Siam. The principle of protecting rice has already been accepted. The only point for which this Resolution has been tabled is that protection is not adequate and that it has to be increased. That is the only point which Honourable Members of this House have to address themselves. If, in spite of the diversion of Burma rice from foreign countries to India, though India is self-sufficient in the matter of production of rice, India wants protection against Siamese rice rather than against Burmese rice, does it not show that the clamour for the imposition of a higher duty against Siamese rice is a well founded one and that Burma is not our competitor but Siam? I have no doubt that if the Government had been careful they would have avoided this predicament in which we find ourselves. We find ourselves in this position, that on the one hand Northern India requires protection in the case of wheat, Southern India requires protection in the case of rice. We have been reduced from a highly industrial country to a mere producer of raw products, and now these have to be protected against encroachment from foreign countries. We do not know how we will stand in the near future either for our finished goods or for our raw produce. The outside market as well as the home market is denied to us. It is unnecessary for us to trouble ourselves over what is going to happen in the future, but enough to say that Government have not taken adequate steps to save us from our present predicament. In India, there are 82 millions of acres under rice cultivation and they produce nearly 32 million tons of rice. Whereas, in the rest of the world, with 40 million acres under rice cultivation, they are able to produce 30 million tons of rice. Government have been singularly indifferent and callous in this matter. Bone manure and other manures necessary for the efficient production of rice and larger production of rice per acre are allowed freely to be exported from this country and instead the poor people are asked to use chilli-nitrates which commodity is not produced in this country and for which they have to pay heavily to foreign countries. I submit there are vast tracts of land which can be brought under rice cultivation and which it would be possible to bring under cultivation if facilities are afforded by Government. I would, therefore, say, that had the Government discharged their responsibility to the public by now, it would not have been necessary to impose any additional import duty at all, but as we stand at present it is absolutely necessary to protect the growers of rice by incursions from foreign rice, by increasing the duty, not only on broken rice but also on rice in husk.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, if it meets with the approval of the House, I may suggest to you, Sir, that no questions may be taken up tomorrow, if that is permissible under the conditions prevailing—I mean I have no idea of the accumulation of questions, but if that is possible and the House agrees, I would rather have no questions taken up tomorrow.

5 P.M.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands there is an accumulation of questions. Therefore the question hour will not be dispensed with.

The Assembly then adjourned till Half Past Two of the Clock on Wednesday, the 8th April, 1936.

LEGISLATIVE ASSEMBLY.

Wednesday, 8th April, 1936.

SPEECH DELIVERED TO THE COUNCIL OF STATE AND THE LEGISLATIVE ASSEMBLY BY HIS EXCELLENCY THE VICEROY.

His Excellency the Viceroy having arrived in procession with the Presidents of the Council of State and the Legislative Assembly took his seat on the Dais at Eleven of the Clock.

His Excellency the Viceroy: Gentlemen, it is not my intention this morning to give you any detailed account of the work done by Government during the past year. My purpose is as shortly as possible to show you that there has been considerable and satisfactory development and progress in all branches of our administration during the past five years and to give you my hopes for the future of India. But before doing so I must ask you to bear with me for a few moments while I say something of a very personal nature.

I think you may imagine my feelings as I stand before you all this morning on this, the last occasion that I shall have the privilege of addressing Honourable Members of our two Legislatures; for in a few days I shall be giving up my official life amongst you with all its engrossing interest and occupation; I shall be digging up roots which during the past 23 years have grown down very deep, for I have learnt in these years to have a heartfelt and abiding regard and affection for India, her Princes and her people. I shall leave you with feelings of the deepest sorrow and regret, but alas! with the knowledge that the age-limit has been reached and the time has come for my departure.

But there is one incident in my life here which has caused me some distress, and as it refers to a matter connected with the Legislatures, I feel bound to mention it to you before I go. I regret extremely the calculated discourtesy that has been shown me by Honourable Members who represent the Congress Party, when I have come here as His Majesty the King Emperor's representative to address the Assembly or have in that capacity sent Messages to be read to the House. I am sure that this action on the part of Congress Members has met with the disapproval of every loyal citizen of India.

Apart from this, I shall leave you when I go with feelings of the deepest gratitude—gratitude for the many friendships made on sound and sure foundations—gratitude for the trust and confidence you have placed in the sincerity of my desire throughout my life here to work for the highest interest of India—and I profoundly hope that, when I am gone, even those who have most objected to my every administrative action may find in the future that my labours have been for India's good.

Yes, I shall look back on a long life in India with constant memories of all its joys and sorrows, its failures and successes, its work and play, and shall always be grateful to India for having given me this wonderful opportunity of doing what I hope may prove to be useful service for my Sovereign, for India and for the British Empire.

[H. E. the Viceroy.]

Before going on to speak of the situation in India itself, I must say a few words on the state of affairs outside her borders. I am glad to feel that during my term of office the relations between the Government of India and the countries which lie on India's frontiers have been peaceful and friendly. (*Major Nawab Ahmad Nawaz Khan*: "Hear, hear.") If there have been some incidents on the Frontier for the solution of which Military operations have been necessary, I can still claim that progress has been made towards the establishment of more settled conditions in this area. If, as I hope, our present policy of gradual penetration by consent and negotiation is quietly and consistently pursued, I do not doubt that my successors in this high office will find the frontier problem far less troublesome in the future than it has proved in the past.

There is another aspect also of our external affairs, which has been mentioned regularly in almost all my addresses to Honourable Members, namely, the position of Indians overseas. It is a subject which arouses the keenest interest throughout India as touching national self-respect; it is a subject on which all sections of non-official opinion, both inside and outside the Central Legislature, are equally and, if I may say so, rightly sensitive.

It is not my purpose today to recapitulate, in detail, the issues affecting Indian interests that have arisen during my term of office in different parts of the British Commonwealth of Nations, the steps that my Government have taken to protect those interests, or the outcome of those efforts. The spokesmen of my Government in both the Houses have, from time to time, stated what we have striven for and what we have achieved. If success has not always been equal to our expectations, it has not been for want of earnest and strenuous endeavour. And, let me add that the powerful support of the Secretary of State for India has, throughout my five years of office, been unfailingly and wholeheartedly given to our advocacy of the Indian cause. Unanimity between Indian and official opinion has happily been the keynote of this particular chapter of our history. May this always be so. To men of my own civilisation, throughout the Empire, who influence opinion or guide policy I venture to make an earnest appeal. That splendid political organisation, the British Commonwealth of Nations, in which we all take just pride can endure only if all its constituent parts have faith in one another. The measure of the permanence of their mutual association will depend on their mutual contentment. India has the pride of an ancient civilisation. She is, therefore, quick to resent any kind of discrimination against her sons and daughters who have settled in other parts of the Empire. She is confident of a future destiny, no less glorious than her past and, therefore, impatient of delay in the removal of disabilities on Indians where these exist. Equality of status is their due; its progressive realisation is the aim of the Government of India and, if I may say so, an obligation on all statesmen throughout the Empire who desire its solidarity. I am confident that, in the pursuit of their aim, the Government of India will never falter. May those whose obligation it is to ensure its speedy fulfilment be given the vision and the strength to work for prompt and generous fulfilment of their duty.

Here in India itself, among the questions which have given me and, I am sure, all thoughtful men increasing concern is that of the unemployment and distress prevailing among many of our educated young men. Our colleges and schools are turning out in immense numbers men who seek employment, particularly in the professions, and fail to obtain it. The matter has received attention from a considerable number of Committees, but I do not think I am indulging in any invidious comparisons if I say that the report recently published by the Committee which sat under the Chairmanship of Sir Tej Bahadur Sapru carries us nearer than any previous report to the heart of the question.

While opinions will naturally differ regarding the wisdom and the probable effect of the remedies which should be applied, I believe that the main lines along which this great problem must be tackled are becoming increasingly clear. "Demand and supply" is a phrase which brings for many rather unpleasant suggestions, particularly when it is applied in the human sphere. We must resolutely set our faces against any idea that human lives and souls can be regarded as a commodity. But if we are to achieve anything in our assault on this problem, we must begin by facing facts, however unpleasant they are, and we must recognise that we have here a supply of young men for whose services there is no effective demand. No solution therefore can succeed which does not adjust the immense disparity which, as all are agreed, exists at present.

There are two possible methods of adjustment in such a position: we can adjust by attention to the demand and we can adjust by attention to the supply. I believe myself that we should do both, but I should be failing in courage if I did not say that the main emphasis will have to be on the adjustment of supply. No adjustments of which I can conceive will provide all those who are now seeking employment with Government jobs, professional careers or responsible posts in industry. Whatever changes you introduce, even if these changes are of an almost revolutionary character, you will not create a society capable of giving the increasing stream of academically educated men posts of the kind to which, having regard to the sacrifices and efforts they have made, they feel themselves entitled to aspire.

There has been a tendency to look to industrialisation for a solution. I am in full sympathy with those who seek the development of our industries. Here the period of my life that has been spent in India—a fleeting moment in the ages of India's history—has seen a tremendous advance. I hope that the years to come will carry it far further. But do not let us deceive ourselves or our young men with the hope that developments along this line will absorb the present output of our schools and colleges in responsible positions. To anyone who cherishes that hope I suggest that he should try to frame an estimate of the number of men from our colleges who have such posts today. He will then be able to judge of the number of such posts that will be provided by expansion—on any scale he likes to choose—and I believe that he will be surprised at the result.

So I come myself to the conclusion suggested by the Sapru Committee's Report that unemployment has to be tackled at the source. This does not mean that we must abandon the efforts to increase the sphere of employment. Far from it; these efforts must be pursued and

[H. E. the Viceroy.]

increased. But efforts to expand the professional and industrial spheres do not touch the source of the evil. That lies in a system which diverts the energy and enthusiasm of the young into channels which, too often, end in the desert. If this growing evil is not to overwhelm them—and us—the educational system will have to be adjusted to bear a much closer relation to the needs of the country. Many still lack the elements of education while others are assisted and encouraged to go on in directions which, as they discover too late, end in disappointment and frustration.

It is fortunate that educationists, who are disturbed by the congestion which is caused in high schools and colleges by the presence of large and overgrowing numbers of pupils and students who are ill-fitted to receive a purely literary form of education, have been thinking and planning along similar lines. The Central Advisory Board of Education has examined this vital matter in some detail and has stressed the importance of dividing up the school course into a number of stages, each with its own clearly defined objective. A strong lead has thus been given, and I earnestly hope that that lead will be followed up by Local Governments with whom the main responsibility for educational reconstruction lies. In the colleges you must demand quality rather than quantity; for in every society, be it as democratic as you like, the progress and welfare of the State depend to a remarkable degree on the few men that are called to leadership, and it is of the utmost importance that these should receive the best training you can give.

This problem of unemployment is probably only part of a larger problem—that presented by the rapid growth of population, and there again my last word must be that in my opinion India is faced with the choice between quality and quantity. Numbers do not make a nation great; and in India you must struggle, not for abundance, but for fulness of human life.

I have said that I fully sympathise with those who seek the development of Indian industries. But India is predominantly and by nature an agricultural country, and I have therefore always been anxious to do everything possible to develop the science of agriculture in this country. To this end the Imperial Council of Agricultural Research has continued to forge ahead with its task of initiating, promoting and co-ordinating research which has for its object the improvement of the efficiency of the cultivator and an increase in his earnings. The value of this central organisation has now been established beyond doubt.

It is a matter of special gratification to me that it has been possible to continue the beneficent work of the Imperial Council of Agricultural Research even during a period of financial depression. The special allotment of thirty lakhs which we have been able to make this year from the Rural Development Fund will enable the Council to go ahead with some important schemes of research which would otherwise have been held up.

During the five years that I have held the high office of Governor General of India the policy which I and my Government have followed in one sphere of our administration has been severely and persistently

criticised. We have been attacked for the policy which we followed to maintain law or order, or, to use an equally well-known and also more suitable phrase, to prevent any grave menace to the peace and tranquillity of India. But when you give your verdict on my stewardship, I would ask you not merely to repeat the catchword of "repression", I would ask you to compare India as it was in 1931 and 1932 and India as it is today. I claim that it is more peaceful, and as a result of greater tranquillity, more prosperous and happy than it has been for many years. Let us look back for a moment, what were the conditions in those black years, 1931 and 1932? In Bengal numerous serious terrorist outrages had created a very difficult and dangerous situation, a situation far worse than on the previous occasions when terrorism had caused the gravest anxiety to us all. I expressed the hope, when I first addressed the Central Legislature in September 1931 and on another occasion a year later when I again had before me a long list of serious terrorist crimes, that all those who had their country's welfare at heart would not let any feeling of sentimental sympathy blind them to the dangers of this movement, but would give their active support to Government in their efforts to counter it. I can claim, I think, that those hopes have been realised and that my plea for support did not fall on deaf ears, for there has been no serious outrage in the last six months, though certain incidents go to show that the movement and the spirit behind it still persist.

There can be no more distasteful task than that of ordering boys and young men to detention in camps and jails, but I can assure Honourable Members that the most scrupulous care is taken by the responsible authorities to ensure that no orders are passed on mere suspicion, but always after the most careful enquiry. No one can regret more than I do the necessity which forces us to continue to deprive a large number of young men of their liberty, but I should have failed in my duty to India if I had agreed to any relaxation of our policy or to any action which would lead to a revival of this sinister movement.

Then again we must look back to those days in 1932 when Congress, after a period of intensive preparation, re-opened the civil disobedience campaign, and I and my Government had to use the full resources of the State in fighting and defeating a movement which would otherwise remain as a perpetual menace to orderly government and individual liberty. We can claim that we have had ever-increasing support from the general public, and it has become generally recognised that sterile methods of negation and obstruction do not conduce to the well-being of India or its constitutional advancement. We can claim also that, as soon as the movement was suspended, we were not slow to relax our measures or to remove the ban on associations which had been declared unlawful. I also took the earliest possible opportunity of giving members of the Congress party an opportunity of entering the Central Legislature. But apart from the black months or black years when terrorism or civil disobedience were rampant, there have been other times of crisis and anxiety. There have been times when communist propaganda and the activities of Moscow trained communists became dangerous, and we have had to take action which has, I think, been effective without being unduly drastic, to prevent the spread of this movement. There have also, to my deep regret, been times when communal disputes have burst out in

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different parts of the country, and during recent months the situation in the Punjab has caused us all grave anxiety. But there has been a marked improvement in the situation during the last few weeks, and I take this opportunity of thanking those leaders who have succeeded in persuading their followers to drop all unconstitutional methods and to strive for the settlement of the dispute by legal and peaceful means. It is my earnest prayer that their efforts will meet with success, and I should rejoice to hear of a final settlement of this dispute by the restoration of complete peace and goodwill in that great Province.

In India's economic history also the past five years have been an eventful period, and it is manifestly impossible for me within the compass of this address to attempt anything in the nature of a comprehensive review. I shall content myself, therefore, with referring to a few of the more important happenings during my time of office.

India, like other countries of the world, has been called upon to face the most severe and most prolonged trade depression of modern times. The strain upon her economic fabric has been great and it is testimony to its inherent strength that she has weathered the storm without recourse to those remedies of despair which have, in so many countries, added to the difficulties of international trade and retarded its recovery.

I would not have you think that I am over-complacent or over-optimistic. It is now generally recognised that so far as the sterling group of countries are concerned, a definite movement towards economic recovery has been in progress for some time past. Hopes have been disappointed in the past, but the present improvement has persisted for a longer period and has, on the whole, shown greater vitality than any of its predecessors. India as a member of the sterling group is sharing in this recovery. Our most recent trade statistics show a welcome and marked increase in our export trade and in our balance of trade in merchandise. The progress may as yet be slow, but accompanied as it is by an improvement in the level of prices, a readjustment of the disequilibrium between agricultural and industrial prices and a marked increase in industrial output, it is such as to justify our confident hope for the future.

Within a few months of my arrival in India I was faced with the unpleasant fact that, despite the measures already undertaken in March 1931, the progress of the public revenues for the year 1931-32 gave increasing evidence of their falling very considerably short of the expenditure. The surcharges imposed in September 1931, together with heavy retrenchments in expenditure ordered in the latter part of the year, sufficed to produce the necessary balance in the budget essential to preserve India's credit. The retrenchment measures then undertaken, including the very considerable reduction in military expenditure, have been substantially maintained.

Since that critical year a budget surplus has emerged and, so far as the public revenues provide an index for the purpose, India has happily seen the worst of the depression. The surplus has been used to redeem

the pledge to restore the cut in pay, to provide means for the Provincial Governments to undertake measures of rural development, to give direct relief to certain Local Governments, and to reduce direct taxation. I am glad that it has been found possible to proceed another step in this direction in the last year of my office. But with the inevitably heavy liabilities ahead inherent in the introduction of a new constitution, it has been essential to proceed cautiously in this matter. The Provinces are looking to Central Revenues for relief. We await, not without some apprehensions, the recommendations of Sir Otto Niemeyer to this end. If the future of the Railways could be made more secure—if the necessary element of co-operation in their success were recognised by the Provinces—the Government of India and the Provincial Governments should, I anticipate, be able to face the financial problems ahead with some confidence.

An important contributing feature of the improvement in the position of the public exchequer has been the fall in interest rates. Whatever views may be held of the significance of this matter—and clearly the improved position in regard to law and order has had a marked effect on public confidence—the fact remains that since 1931 the cost of government (including in this term the Provinces, the railways and the central civil budget) has been reduced in this respect by no less than 8½ crores per annum of which 3¼ crores represent a drop in our annual foreign obligations. And in view of the public apprehension expressed when the contrary process was taking place, it must be a subject of gratification to some people that whereas the price of 3½ per cent. Government paper was 53 in September 1931, it now stands not far short of par. This improvement in the credit of the holders of Government securities and the prevailing low interest rates are conditions favourable to India's being able to take advantage of any turn of the tide.

The Government itself has managed in recent years to convert its liabilities into comparatively cheap issues of reasonable maturities, it has been able to consolidate a large portion of its former floating debt, it has reduced the proportion of its foreign obligations, while, through the agency of the Reserve Bank, India has greatly strengthened its foreign assets.

When, on the very eve of the introduction of the new constitution, I turn to survey the improvement in the public finances of India during the past five years and the undoubted return of confidence, I experience fewer regrets than I might have done—and indeed, I confess than at times I have done—in the fact that I have had on occasions to use my special powers to achieve some of these results. Many governments in the world must envy the financial position of the Government of India in the year 1936, and although the recent budget clearly did not satisfy all your aspirations—what Budget ever did?—I confidently believe that the future Federal Finance Minister of India will whole-heartedly applaud our determination to maintain the financial stability and credit of this country.

As I address you for the last time my memory is, as I have already told you, full of the experiences of my long stay in India. My thoughts

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run back over the succession of varied events during these years. Yet even more cogent now are those personal sympathies and political principles which impel me to draw aside, if I can, the veil concealing the future; for India stands on the very threshold of a momentous change, and I, though I leave you, shall ever be concerned to know how Fortune deals with you.

"In nature's infinite book of secrecy,
A little I can read."

I see just across the threshold self-reliant Provinces, receiving from the Crown great authority, equipped with wide power, each, under the Crown, master in its own house, managing its own affairs, promoting and stimulating its own activities to ends congenial to the tastes, sentiments and condition of its people.

I see the growth of a new political spirit—indeed its stirrings are even now apparent—in whose expanding influence communities will no longer "war within the bosom of a single State"; but men, differing it may be in political interest, will agree in desiring above all the good of their country and the general well-being of their fellows.

I see, but perhaps in a less immediate focus, a Central Government, not the result of a compact of contracting Provinces, but exercising by direct devolution from the Crown full authority for those matters of all-India interest, which are—some of them as necessary for the well-being of India as any provincial matter, and others vital to India in a degree to which no provincial matters can attain;—a Central Government left in no uncertainty of its powers in its field, but possessing a jurisdiction precedent to that of all governments in India and an executive authority protected in the fullest sense against encroachment or challenge;—a government supported by the obligation laid upon Provinces to avoid all impediment or prejudice to the exercise of its executive authority.

I see developing a jurisprudence based more and more firmly on the broadest philosophical conceptions of the nature of law, and reaching out hands to all vivid schools of legal learning throughout the world. For the Federal Court will interpret the constitution under which you will live. It will elucidate the true character of legislative power. It will adjudicate between disputing governments. It will determine the legitimate scope of the various legislative organs in India. In so doing it will itself explore and will open to legal thought in India a new range of juridical ideas and a more intimate search into the bases of public and private rights and liberties.

Other figures too loom upon my gaze, but I would leave you with the general picture of great problems demanding solutions, wide powers of the Crown entrusted to you, onerous responsibilities laid upon you, and a growing spirit and capacity which will enable you to surmount all difficulties.

Fortunate are they who will join with you in realising this inspiring future, and my every good wish attends the distinguished statesman who will so soon assume the burdens of the great office which I, with many grateful memories, shall regretfully lay down. (Cheers.) (Loud and Prolonged Applause.)

The Assembly met in the Assembly Chamber of the Council House at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

QUESTIONS AND ANSWERS.

TREATMENT OF INDIANS IN ZANZIBAR.

1477. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): **Will Government state:**

(a) whether they have received any reply from His Majesty's Government regarding the treatment of Indians in Zanzibar;
(b) if so, what is the reply; and
(c) what further steps they propose to take in the matter?

Sir Girja Shankar Bajpai: (a) As regards the Clove Growers' Association, I would invite the attention of the Honourable Member to the recent announcement of the Secretary of State for the Colonies that an enquiry will shortly be undertaken to review the position of the Zanzibar clove industry, and, in the light of the experience that has now been gained, to report whether in the permanent economic interests of the territory as a whole any, and if so, what modifications are necessary or desirable in the system of control as it exists. No reply has yet been received to our communication regarding the land and debt legislation which was issued on the 22nd February.

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

Mr. S. Satyamurti: With regard to this enquiry to which my Honourable friend refers in his answer to clause (a) of the question, may I know what are the steps which have been taken, or are proposed to be taken, either to associate the Government of India or to give an opportunity to the Government to present such aspects of the case of the working of the Association before this Committee, as they may feel called upon to do?

Sir Girja Shankar Bajpai: So far as the Indian community of Zanzibar is concerned, no suggestion has yet been received by the Government of India to give it assistance in presenting its case. The Imperial Citizenship Association, however, has suggested that the Government of India might depute somebody from here to assist the Indians to put their case before Mr. Binder who has been appointed to conduct this enquiry. That suggestion is under consideration.

Mr. S. Satyamurti: Are the Government of India in touch with the Indians in Zanzibar in any manner?

Sir Girja Shankar Bajpai: The Indian Association in Zanzibar frequently communicates with the Government of India. Further, as my Honourable friend is aware, Mr. Tyab Ali from Zanzibar is in this country, and he has been in touch with the Government of India.

Mr. S. Satyamurti: Will they take immediate steps to see if the interests of Indians in Zanzibar require any special representation before this Committee on behalf of the Government of India, representing the interests of Indians as a whole in Zanzibar?

Sir Girja Shankar Bajpai: My Honourable friend may rest assured that any assistance which is desired by the Indians in Zanzibar and which the Government of India are in a position to give will be given.

Mr. S. Satyamurti: May I know if this enquiry will be completed before the next season arises?

Sir Girja Shankar Bajpai: My information is that Mr. Binder will be leaving England about the 21st or 22nd of this month, and the idea is that the investigation should be completed well in advance of July, when the next crop comes on the market.

EMPLOYMENT OF CADETS TRAINED ON THE "DUFFERIN".

1478. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): **Will Government state:**

(a) with reference to their answer to starred question No. 1164 of this Session whether they have received replies from the shipping companies regarding employment of "Dufferin" trained Indian cadets;

(b) if so, what is their reply; and

(c) what further action they propose to take in the matter?

The Honourable Sir Muhammad Zafrullah Khan: (a) Replies from some of the Shipping Companies addressed by Government have been received while those from others are still awaited.

(b) and (c). Generally speaking the replies so far received are sympathetic, but Government cannot state what further action, if any, will be necessary until their examination of the question has been completed.

Mr. S. Satyamurti: May I ask for an elucidation of the word "sympathetic" in the answer to clause (b) of the question, whether these companies have definitely undertaken to provide employment for the cadets going out of the "Dufferin"?

The Honourable Sir Muhammad Zafrullah Khan: The replies indicate that the companies are willing to consider the cases of "Dufferin" cadets whenever suitable vacancies arise. They realise the necessity of encouragement in that direction, in view of the fact that the training in the steamship "Dufferin" would not have been provided unless Government had been satisfied that these companies were going to afford scope for employment to the "Dufferin" cadets.

Mr. S. Satyamurti: How many of these companies have replied, and how many have not replied?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid I could not answer that without notice.

Mr. S. Satyamurti: Will Government be good enough to expedite replies from companies which have not yet replied?

The Honourable Sir Muhammad Zafrullah Khan: Yes, Sir.

PLACING OF LAND REVENUE ON A STATUTORY BASIS.

1479. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): **Will Government state:**

(a) whether the Montagu-Chelmsford Report had recommended to place land revenue on a statutory basis;

(b) whether any attempts were made in this direction;

(c) whether the Madras Government made any proposals in this matter, and whether they dropped them; if so, why; and

(d) whether they propose to consider the desirability of giving effect to that recommendation?

Sir Girja Shankar Bajpai: (a), (b) and (d). The attention of the Honourable Member is invited to the reply given by me to his starred question No. 1181 asked on the 12th March.

(c) The Madras Government made certain proposals which in the light of further discussions they did not pursue.

Prof. N. G. Ranga: Will Government try to ascertain whether it is a fact that in many of these provinces, where the ryotwari settlement prevails, more than 50 per cent. of the net income from land is being taken as land revenue?

Sir Girja Shankar Bajpai: If my Honourable friend will bring to my notice any districts where this practice prevails, I shall consider the suggestion to make an enquiry.

Prof. N. G. Ranga: In view of the fact that the Taxation Enquiry Committee has suggested that a system, analogous to that prevailing in Australia, imposing only a uniform standard and lower rate of land revenue should be adopted in this country, will Government consider the advisability of calling a Conference of all the Revenue Members of the various provinces with a view to devising means by which such a system can be adopted in this country also?

Sir Girja Shankar Bajpai: My Honourable friend will realise that the Report of the Taxation Enquiry Committee has been in the hands of Local Governments for a long time, and only a few months before Provincial Autonomy is clearly not an appropriate moment for convening a conference to consider so far-reaching a change.

Prof. N. G. Ranga: Are Government aware of the great discontent prevailing in the Punjab against the existing sliding scales of land revenue and that in the United Provinces there are a number of amendments proposed to the land revenue law—and also in the Madras Presidency—against the proposed re-settlement rates?

Sir Girja Shankar Bajpai: It is not possible for me to be in touch with such representations as may have been made in the provinces against impending provincial legislation. I am not in a position to answer that.

Prof. N. G. Ranga: Will Government at least consider the advisability of suggesting to these Provincial Governments that no drastic changes should be made in their land revenue systems resulting in any enhancement of land revenue assessment until the Reforms are inaugurated?

Sir Girja Shankar Bajpai: Since the inception of the reforms, I have not come across a single provision in a Land Revenue Act which has had the effect of increasing the rate of assessment.

Prof. N. G. Ranga: Are Government aware of the fact that in very many districts of the Madras Presidency itself re-settlement had been imposed as a result of which as much as 80 per cent. enhancement was imposed there?

Sir Girja Shankar Bajpai: But my Honourable friend began by saying that the pitch of assessment was 50 per cent. I was attempting to point out that in such of the provinces where legislation has been passed the tendency has been to reduce the limit of the pitch of assessment below 50 per cent.

Prof. N. G. Ranga: What about the Madras Presidency?

Sir Girja Shankar Bajpai: Even in the Madras Presidency, so far as I know, the condition which was laid down was that on re-assessment the increment shall not exceed 18¾ per cent.

RESERVATION OF RESIDENTIAL SITES FOR EUROPEANS AT TUAVA.

1480. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): **Will Government state:**

(a) with reference to their answer to starred question No. 1196 of this Session, regarding the recommendation to reserve residential sites for Europeans at Tuava, whether they have received any reply from His Majesty's Government;

(b) if so, what is the reply; and

(c) what steps they propose to take in this matter?

Sir Girja Shankar Bajpai: (a) No, Sir.

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

Mr. S. Satyamurti: What is the approximate date on which they addressed His Majesty's Government on this matter?

Sir Girja Shankar Bajpai: The second of March.

Mr. S. Satyamurti: Have they reminded them since?

Sir Girja Shankar Bajpai: We have not sent any reminder yet.

Mr. S. Satyamurti: How long do Government usually wait for an answer from His Majesty's Government in matters of this kind?

Sir Girja Shankar Bajpai: The position here is that segregation has been suggested by a Committee. The Government of India have already made representations to His Majesty's Government that this principle shall not be introduced. There has been no indication either from His Majesty's Government or from any other quarter that any progress has been made towards giving effect to this proposal. In the circumstances we have thought it best to leave the matter with the representation that we have made. If there is any indication suggesting that this proposal is being seriously taken, we shall certainly remind the Colonial Office.

UNEMPLOYMENT PROBLEM.

1481. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): **Will Government state:**

(a) whether they are aware of the great amount of unemployment in this country;

(b) whether they propose to take any steps to lessen this evil; and

(c) whether they have considered the Sir Tej Bahadur Committee Report; if so, what are the results of the consideration?

The Honourable Sir Frank Noyce: (a) I am aware of the fairly general educated unemployment; but I am not aware of a great amount of unemployment among workmen.

(b) and (c). I would refer the Honourable Member to the debate on the subject in the Council of State on the 25th March, 1936, and to the speech delivered in this House this morning by His Excellency the Viceroy.

Mr. S. Satyamurti: May I know if that part of the Viceroy's speech in which he refers to restriction of supply of educated men and women in this country, as a means of solving partially the unemployment problem, has the imprimatur of the Government of India?

The Honourable Sir Frank Noyce: I am not prepared to answer that question.

Mr. S. Satyamurti: May I know why?

The Honourable Sir Frank Noyce: The Viceroy is the head of Government of India.

Mr. S. Satyamurti: I am simply asking if it is his own personal opinion: I am not criticising it, nor do I want to, if it is so. I am asking whether, in expressing that opinion, which I consider very dangerous, that we should partially meet this unemployment by restricting the supply of educated men and women, he is speaking in his own personal capacity, or as representing the Government of India.

The Honourable Sir Frank Noyce: I must decline to answer that question.

Mr. S. Satyamurti: What is the opinion of the Government of India on that matter?

The Honourable Sir Frank Noyce: I have nothing to add to the reply I have already given.

Mr. S. Satyamurti: Are Government taking any steps to restrict the supply of educated men and women from the universities?

The Honourable Sir Frank Noyce: I would suggest to my Honourable friend to put down a question on the subject.

Mr. S. Satyamurti: I want your help in the matter, Sir: yesterday, my Honourable friend, the Education Secretary, said that the Government are not considering any question of restricting the supply of graduates or educated persons: this morning, the head of the Government says they are dealing with the problem of unemployment by restricting the supply of educated men and women: I want to know which is true . . .

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member read the speech?

Mr. S. Satyamurti: I have.

Mr. President (The Honourable Sir Abdur Rahim): It is necessary to put down a question.

COLLECTION OF STATISTICS FOR UNEMPLOYMENT.

1482. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): **Will Government state:**

(a) in view of their answer to starred question No. 1184 of this Session, whether they propose to try to create a machinery to take statistics for unemployment; and

(b) whether they propose to make an attempt to collect statistics of unemployed graduates, having in view the fact that this can be done easily through the Universities?

The Honourable Sir Frank Noyce: (a) No.

(b) Government are prepared to refer this matter to the Central Advisory Board of Education though I am not prepared to endorse the Honourable Member's view that the collection of statistics by the Universities will be an easy matter.

Mr. S. Satyamurti: May I know the reasons for the negative answer to clause (a) of the question?

The Honourable Sir Frank Noyce: I have explained that on several occasions in this House in the course of the Session, and I have nothing to add to the replies I have given.

Mr. S. Satyamurti: Have Government considered that, for the efficient administration of this country, such statistics will be of great help, in order to enable them to take such steps as they may consider feasible and necessary from time to time in dealing with a problem, which goes to the very root of any administration in any country?

The Honourable Sir Frank Noyce: The statistics may be useful, and undoubtedly would be useful for various purposes; but I have explained on several occasions the reason why it is impossible to collect them.

Mr. S. Satyamurti: With reference to the answer to clause (b), may I request my Honourable friend to be good enough to address the universities in this matter, as to whether they are prepared to give any help in the direction of collecting statistics with regard to existing unemployment amongst graduates of universities?

The Honourable Sir Frank Noyce: I have stated that we propose to refer this matter to the Central Advisory Board of Education which will doubtless take such action as appears to it suitable.

EVICTION OF NATTUKOTAI CHETTIARS FROM LANDS IN MINBU DISTRICT IN BURMA.

1483. ***Mr. S. Satyamurti** (on behalf of Mr. T. S. Avinashilingam Chettiar): **Will Government state:**

(a) with regard to the eviction of Nattukotai Chettiars from lands in Minbu District in Burma, whether they have received any reply from the Government of Burma;

(b) if so, what is the reply; and

(c) what action they propose to take in the matter?

Sir Girja Shankar Bajpai: (a) No.

(b) Does not arise.

(c) I would refer the Honourable Member to the concluding part of my answer to parts (b) to (d) of Mr. Ananthasayanam Ayyangar's question No. 1142, on the 12th March, 1936.

Mr. S. Satyamurti: When was this letter sent to the Burma Government?

Sir Girja Shankar Bajpai: On the 29th of February, Sir.

Mr. S. Satyamurti: Have the Government of India sent any reminder since then?

Sir Girja Shankar Bajpai: No; we have not sent a reminder; we impressed upon the Government of Burma the desirability of communicating their views to us as soon as possible.

Mr. S. Satyamurti: Will Government try and remind them, in view of the fact that if the allegations made by the community concerned are correct—I am saying nothing about it, it may or may not be so—that this is a case of injustice—will Government impress on the Government of Burma to reply to the matter as early as possible?

Sir Girja Shankar Bajpai: As my Honourable friend probably remembers, the time given to the Chettiars in Burma for disposing of these lands is to end in June 1937. It was for that reason that we thought that it was not necessary to hustle the Government of Burma. Further, as my Honourable friend is aware, the representative of the Chettiars came

here and we all impressed upon him the desirability of trying to settle the matter amicably with the Government of Burma. These, in my opinion, I submit, are considerations which justify our leaving a certain amount of latitude to the Government of Burma.

TREATMENT OF IMPERFECT SIGHT BY NATURAL METHODS.

1484. ***Pandit Sri Krishna Dutta Paliwal:** (a) Are Government aware that Dr. R. S. Agarwal, L.S.M.F., an eye specialist, is running an Eye Institute in Daryaganj, and a free eye clinic in Chandni Chowk, Delhi, the special feature of which is to treat the cases of imperfect sight by natural methods, and that numerous patients, notably Sir Mohan Shumshere Jung Bahadur Rana, K.C.I.E., Senior Commanding General of Nepal, His Highness the Maharaja of Alwar, Mr. B. L. Rastogi, *ex*-M.L.A., Mr. Sachchidananda Sinha, Barrister-at-Law, have been remarkably benefited by it and have spoken highly about Dr. Agarwal's system of treatment?

(b) Are Government aware that Dr. Agarwal's simple scheme to prevent myopia among students has been a grand success, and that Dr. Agarwal has demonstrated that simple scheme in different institutions of India? If not, are Government prepared to ascertain?

(c) Are Government aware that out of seven blind patients with one or both eyes, six have been cured simply by eye exercises, one being cured in two hours, another in ten days and the rest took about one to three months?

(d) Are Government aware that Dr. W. H. Bates, M.D., of New York is the discoverer of the system which Dr. Agarwal is following?

(e) Do Government intend to start some clinic or school at Delhi for the treatment of imperfect sight by natural methods and for imparting training in that system?

Sir Girja Shankar Bajpai: (a) to (d) Government have no information.

(e) No.

†1485.*

THROUGH BOOKING ARRANGEMENTS FROM LAHORE AND DELHI TO SRINAGAR.

1486. ***Mr. K. L. Gauba:** Will Government be pleased to state:

(a) whether the through booking arrangements from Lahore and Delhi to Srinagar *via* Rawalpindi and Jammu Tawi introduced last year will be continued this year; if so, what arrangements have been made for the current year?

(b) If it is a fact that last year, the two routes were operated by two out-agents, one of whom was concerned with the Rawalpindi-Srinagar service and the other with the Jammu-Srinagar service?

(c) Whether both routes this year are going to be given to the one out-agent who was served last season with a notice of the termination of his contract on the ground of unsatisfactory work; if so, why; and

†This question will be answered on the 9th April, 1936.

(d) whether the reason ascribed for the proposed change is administrative convenience of having one agent on the two routes, and if so, what assurances have been taken for the satisfactory conduct of the services to the public by the proposed out-agent, and whether last year the Railway had to serve a notice of discontinuance of his contract?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes, the arrangements for this year are very similar to those for the last year.

(b) Yes.

(c) Yes. The Agent, North Western Railway, states that the notice of termination of the contract was given through an error and was subsequently withdrawn.

(d) Yes, both administrative and public convenience. The usual assurances for the satisfactory conduct of the services are embodied in the agreement with the out-agent. The concluding part of the Honourable Member's question has been dealt with in my reply to part (c).

APPOINTMENT OF AN INDIAN MEMBER IN THE RAILWAY BOARD.

1487. ***Pandit Nilakantha Das:** (a) Will Government please state if any vacancy is going to occur in the personnel of the Railway Board?

(b) If so, do Government propose to appoint an Indian in that vacancy? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Mr. Tylden-Pattenson is proceeding on six months leave, and a temporary vacancy will occur.

(b) No; in filling such a vacancy the most suitable candidate irrespective of nationality must be selected, and Mr. Highet, the senior State Railway Agent, who was for many years Director of Establishment, Railway Board, is replacing Mr. Tylden-Pattenson.

PROPOSED ABOLITION OF THE INCOME-TAX OFFICE AT HAZARIBAGH.

1488. ***Mr. Ram Narayan Singh:** (a) Are Government aware of the fact that great indignation (as evidenced by the telegram supplied to the Department concerned) is prevailing in the whole of the Hazaribagh District on account of the proposed abolition of the income-tax office at Hazaribagh and its removal partly to Purulia and partly to Deoghar?

(b) Are Government aware that this proposal, if given effect to, will put the income-tax payees of the district of Hazaribagh to a lot of trouble of all sorts, owing to the great distances of Purulia and Deoghar from Hazaribagh and also owing to its out of the way situation?

(c) Are Government prepared to reconsider the question and to leave the office at Hazaribagh, as it is today?

Mr. A. H. Lloyd: (a) Government have received protests against the proposal referred to in this part of the question.

(b) In the opinion of Government no inconvenience will be caused by the change to residents in the Giridih Sub-Division, most places in which are as near to Deoghar as to Hazaribagh if not nearer. Government realise that it will not be as convenient to most residents of the remainder of the Hazaribagh District to deal with an Income-tax Officer stationed at Purulia as to deal with one stationed at Hazaribagh. They have still under consideration the question of selecting Ranchi instead of Purulia as the headquarters of the new charge comprising Southern Hazaribagh and Manbhum. Moreover, inconvenience will be reduced to a minimum owing to the standing orders under which Income-tax Officers have, as far as possible, to conduct their business while on tour in the various places in their charge.

(c) Government are not prepared to reconsider the arrangement under which Southern Hazaribagh will be grouped with Manbhum but, as already stated, have not yet finally decided what is to be the headquarters of this combined charge.

Mr. Ram Narayan Singh: May I know, Sir, for whose benefit will this change take place?

Mr. A. H. Lloyd: To the benefit of Government.

Mr. Ram Narayan Singh: Do they consider also the conveniences of the income-tax payers when they establish an income-tax office at any place and when the office is shifted from one place to another?

Mr. A. H. Lloyd: The interests of the income-tax payers were considered most carefully, Sir. The scheme for re-arranging the charges in Bihar and Orissa was worked out by myself during last year on two visits to Bihar,—naturally, working in consultation with the Commissioner. The re-distribution of charges was made necessary by two facts. In the first place we had received emphatic protests in this House and elsewhere which we felt were deserving of acceptance regarding certain other parts of the previous arrangements and secondly we had to deal with the addition of certain territory to Orissa as a result of the formation of the new Province. In order to study the interests of economy, it was necessary to make an arrangement which in some cases involved the doubling up of parts of two districts in a single Income-tax Officer's charge. The fact that some inconvenience might result to some individuals was always present to our minds, but we were unable, unless we were to increase unduly the number of the staff, to meet those objections in all cases. This is a case in which we were unable to meet the objections. I may, however, Sir, with your permission, quote one sentence from a letter I have received within the last few days from the Bihar and Orissa Chamber of Commerce, which has had to look upon the re-arrangement as a whole scheme, and not concentrate on one particular item, though the letter refers in particular to the change from Purulia to Ranchi which I have mentioned in my answer. It says:

"This Chamber feels very grateful to you for the very sympathetic and masterly fashion in which you have been dealing with our complaints."

Mr. Ram Narayan Singh: May I know, Sir, whether the office at Ranchi will be a new one?

Mr. A. H. Lloyd: Sir, there has not been before a combined Income-tax office for the southern part of Hazaribagh and Manbhum. Obviously, therefore, the office will be a new one.

Mr. Ram Narayan Singh: Will the Honourable Member explain when the Income-tax office is transferred to Ranchi, how the Government are going to be benefited?

Mr. A. H. Lloyd: I submit, Sir, I have already answered this question fully in a very long reply to a supplementary question.

RULES GOVERNING THE ISSUE OR REFUSAL OF PASSPORTS TO PERSONS TRAVELLING ABROAD.

1489. ***Mr. T. S. Avinashilingam Chettiar:** (a) Will Government state what are the principles guiding the issue or refusal of passports to persons travelling abroad?

(b) Will Government lay a copy of the rules on the table of the House?

(c) How many persons were refused passports in the course of the year and what are their names?

(d) On what particular grounds were they refused passports?

The Honourable Sir Henry Craik: (a) The interests of the State and the character, antecedents and financial circumstances of the applicant are taken into consideration.

(b) No.

(c) I shall be laying on the table shortly, in answer to Mr. Saksena's question No. 821, a statement which will give the Honourable Member the information he requires.

(d) The compilation of this information in every case would involve a good deal of labour which I am not prepared to undertake. I am willing, however, to consider whether I can furnish the information in any particular case if the Honourable Member so desires.

Mr. S. Satyamurti: With reference to the answer to clause (b), may I understand the Honourable Member to say that there are no rules, or do the Government refuse to lay a copy of the rules on the table of the House?

The Honourable Sir Henry Craik: The latter.

Mr. S. Satyamurti: There are rules, therefore.

The Honourable Sir Henry Craik: Yes.

Mr. S. Satyamurti: Then, may I know whether those rules are of uniform application to all cases, or whether they give any discretion to the authority granting or refusing passports?

(b) If so, will Government please state the names of those prisoners, who are on hunger-strike and the dates on which each of them gave up his food?

(c) What are the reasons for their hunger-strike?

(d) Is it a fact that they are being forcibly fed?

(e) What is the present state of their health?

(f) Is it a fact that the condition of some of them is precarious?

(g) What was their weight when they were first admitted to jail, and what is it now?

(h) Do Government intend to remove their grievances?

The Honourable Sir Henry Craik: (a) and (b). There are only two prisoners in the case, namely, Ram Singh and Mangilal. They are not on hunger-strike at present. The former went on hunger-strike on the 30th December, 1935, and remained on strike for four days. The latter was on hunger-strike for four days from the 16th January, 1936.

(c) Their non-classification as 'B' class prisoners.

(d) Only Mangilal was forcibly fed on the 4th day.

(e) Their health is at present fair, but they have lost weight due mainly to their insistence on a liquid diet and fruit only and no solid food.

(f) No. On the contrary they are all taking exercise daily, have books to read, and perform their allotted task.

(g) Ram Singh's weight on admission was 131 lbs. and on 21st March, it was 110 lbs. Mangilal's weight on admission was 161 lbs. and on the 21st March, it was 114 lbs.

(h) It is not intended to alter the trying Magistrate's classification of these prisoners as 'C' class; but as a special case reading facilities have been provided for them in the jail.

Prof. N. G. Ranga: What are the grievances for the redress of which these people have gone on hunger-strike?

The Honourable Sir Henry Craik: I have answered that. I have said that their grievance was their non-classification as "B" class prisoners?

Prof. N. G. Ranga: Have they been classified as "B" class prisoners?

The Honourable Sir Henry Craik: No.

Prof. N. G. Ranga: Why not?

The Honourable Sir Henry Craik: Because they are not entitled to it.

Mr. S. Satyamurti: Are Government considering the whole question of classification of prisoners to classify all political prisoners as special class prisoners?

The Honourable Sir Henry Craik: That does not arise out of any answers I have given.

Mr. S. Satyamurti: Yes, Sir; it does.

The Honourable Sir Henry Craik: No, Sir; it does not.

Mr. S. Satyamurti: It is for you to decide, Sir; it is not for the Honourable the Home Member to say that. The question is, what are the reasons for their hunger-strike, and the reason given by the Honourable the Home Member is that they are dissatisfied with their classification. I am asking whether, as a means of satisfying their grievances, the Government are considering the question of giving a special class to all political prisoners.

Mr. President (The Honourable Sir Abdur Rahim): The Chair thought the Honourable the Home Member said that they were not considering the question of any reclassification.

Mr. S. Satyamurti: I am asking why they are not considering the question.

Mr. President (The Honourable Sir Abdur Rahim): It does not arise out of this.

Mr. S. Satyamurti: It does arise, Sir.

Mr. President (The Honourable Sir Abdur Rahim): It is a wider question.

The Honourable Sir Henry Craik: These persons are not political prisoners; they are murderers.

Prof. N. G. Ranga: Whether they were convicted for murderous attacks or not, my point is, is it or is it not a fact that they are still considered according to the jail regulations as convicts?

The Honourable Sir Henry Craik: Certainly.

Prof. N. G. Ranga: Are they not convicts?

The Honourable Sir Henry Craik: They are not political prisoners; they are would-be murderers.

Prof. N. G. Ranga: Who are political prisoners and who are not?

The Honourable Sir James Grigg: Who indeed?

Prof. N. G. Ranga: We will make you one one of these days.

ENACTMENT OF A SPECIAL RURAL INSOLVENCY ACT.

1492. ***Prof. N. G. Ranga:** (a) Are Government aware of the recommendation of the Royal Commission on Agriculture and the Central Banking Enquiry Committee that a special Rural Insolvency Act should be promulgated?

(b) If so, is no such legislation sought to be passed? If not, why not?

(c) Will Government state when and what action they propose to take to implement that recommendation?

Sir Girja Shankar Bajpai: (a) The recommendation was to the effect that the case for a simple rural Insolvency Act should be carefully considered in all provinces.

(b) and (c). The recommendation was referred to Local Governments and the action taken by them is indicated in the reports showing the progress made in giving effect to the recommendations of the Royal Commission on Agriculture, copies of which are available in the Library of this House. In addition legislation for the relief of indebtedness has been undertaken in various Provinces and certain provisions have been made which directly affect rural insolvency.

Prof. N. G. Ranga: Is it not a fact, Sir, that this Rural Insolvency Act is an enactment of the Central Government, and that the Royal Commission on Agriculture, and the Central Banking Inquiry Committee have definitely recommended that it is for the Central Government to pass this particular legislation?

Sir Girja Shankar Bajpai: I am not aware that the recommendation was that the Government of India should take action either in advance of, or in direct opposition to, the views of the Local Governments.

3 P.M.

Prof. N. G. Ranga: In view of the fact that neither of these Commissions has stated that the Provincial Governments should undertake this particular legislation, but they have made it clear that an all-India legislation should be undertaken by the Government of India, would Government be pleased to consider the advisability of undertaking that legislation at least now, or will they consider the necessity of doing so?

Sir Girja Shankar Bajpai: I have already informed the House that the Government of India, after considering the recommendation of the Royal Commission, decided to refer this matter to the Provinces. The Provinces have considered the matter, and their views will be found in the reports to which I have referred my Honourable friend. I submit that he should look at these reports, and then, after that, we can have a discussion on the subject.

Prof. N. G. Ranga: In view of the fact that not one Provincial Government so far has undertaken this legislation,—and I have got that information from the reports referred to by the Honourable Member,—will Government consider the advisability of addressing again the Provincial Governments and also examining the possibility of undertaking this legislation by themselves?

Sir Girja Shankar Bajpai: All that I need say is that the Local Governments which have not taken action have given good reason for not taking any action, and it is not necessary for the Government of India to address them again.

Dr. Ziauddin Ahmad: Are the Government of India satisfied with the reasons given by the Local Governments for not taking action?

Sir Girja Shankar Bajpai: In a matter of this kind, I think the wishes of the Local Governments ought to prevail.

Qazi Muhammad Ahmad Kazmi: So far as I understand, the Honourable Member said that in these matters the views of Provincial Governments must prevail. Can they prevail without any consideration by the Government of India?

Sir Girja Shankar Bajpai: My Honourable friend is not justified in assuming that the Government of India have not considered the views of the Local Governments.

Qazi Muhammad Ahmad Kazmi: Can the Honourable Member give a summary of those reasons which the Local Governments have given for not undertaking legislation of any kind?

Sir Girja Shankar Bajpai: May I request my Honourable friend to read for himself the reasons of the Local Governments which will be found in the reports to which I have referred?

Mr. S. Satyamurti: Will Government consider addressing the Local Governments again, in view of the significant fact, that the Chairman of this Commission will soon be amidst us?

Sir Girja Shankar Bajpai: I have no doubt that, if His Excellency the Chairman of the Commission thinks it desirable to address Local Governments again, he will give instructions to that effect.

Prof. N. G. Ranga: Will Government state the name of any particular Government which has passed or attempted to pass this particular legislation?

Sir Girja Shankar Bajpai: It may not have passed a particular Act to amend this particular piece of legislation, but I can give my Honourable friend the names of two Acts in which this question of rural insolvency has been tackled—the United Provinces Encumbered Estates Act, 1934, my Honourable friend may refer to section 48 of that Act, and the Bengal Agricultural Debtors Act, 1935, sections 22 and 24 of that Act are relevant.

Qazi Muhammad Ahmad Kazmi: Is the Honourable Member aware that the United Provinces Encumbered Estates Act does not apply to peasants?

Sir Girja Shankar Bajpai: I have satisfied myself that the section to which I have referred does refer to the question of rural insolvency.

Prof. N. G. Ranga: I have satisfied myself that the sections referred to by the Honourable Member are simply consequential sections following the other sections of the Acts passed there by the Local Governments. Will Government consider the advisability,—this is a very reasonable suggestion—of again referring this matter to the Local Governments and examining this question again?

Sir Girja Shankar Bajpai: I have already stated the views of the Government on that point.

Mr. M. S. Aney: Did the Government of India, as a matter of fact, consider the suggestions or recommendations which had been made by the Provincial Governments? And have they come to any conclusion, and, if so, can they produce that conclusion before the House?

Sir Girja Shankar Bajpai: I have already informed the House that each Local Government considered the matter and stated its views. The Government, on an examination of those views. . . . .

Mr. M. S. Aney: . . . . agreed with them?

Sir Girja Shankar Bajpai: Yes.

Mr. M. S. Aney: That is all right.

AMENDMENT OF THE USURIOUS LOANS ACT.

1493 ***Prof. N. G. Ranga:** (a) Are Government aware of the recommendation made by the Royal Commission on Agriculture and the Central Banking Enquiry Committee to so amend the Usurious Loans Act as to specify the maximum rate of interest and thus protect the debtors from *Sahukara*?

(b) If so, why have Government so far failed to get any suitable legislation passed?

(c) Are Government aware of the fact that the Royal Commission on Agriculture and the Central Banking Enquiry Committee have suggested that All-India legislation should be undertaken to oblige the money-lenders to register themselves and regulate money-lending?

(d) If so, have only one or two Provincial Governments thought of such regulation?

(e) Are Government aware that the need for such regulation has grown enormously more insistent since those Commissions made their recommendation?

(f) Will Government state why they have failed to undertake such legislation?

(g) When do they propose to bring forward suitable legislative proposals before the Assembly?

The Honourable Sir Henry Craik: (a) and (b). The Honourable Member's statement is not correct. I cannot find that the Royal Commission on Agriculture in India made a specific recommendation that the Usurious Loans Act should be amended so as to fix the maximum rate of interest. The Indian Central Banking Enquiry Committee said "We are unable to agree with the suggestion to amend the Act so as to fix a definite statutory limit to the rate of interest".

The Government of India after very thorough consultation and consideration decided, for reasons indicated in the answer given on the 19th July, 1934, to starred question No. 143 asked by Sir Muhammad Yakub that legislation on this subject must be primarily provincial. As regards provincial legislation already undertaken or proposed on the subject, I refer the Honourable Member to that answer and to the answer given by the Honourable the Law Member on the 6th February, 1935, to his starred question No. 53. Most of the Bills mentioned in the latter answer have since passed into law.

(c) Here again the Honourable Member's statement is incorrect. Neither the Royal Commission on Agriculture nor the Banking Enquiry Committee suggested all-India legislation for enforcing registration of money-lenders and for regulating money-lending. On the contrary their recommendations were for provincial legislation. And the Banking Enquiry Committee was not in favour of a system of licensing money-lenders, either compulsory or voluntary.

(d) Some of the Local Governments have already undertaken legislation on the lines of the Punjab Regulation of Accounts Act, 1930, and a Bill for the registration of money-lenders has been introduced in the Central Provinces Legislative Council.

(e) The question whether economic conditions which have developed since the Commission and Committee made their recommendations have increased the need for legislation is no doubt one which the provinces have considered and are considering.

(f) and (g). The Honourable Member is referred to the answer given to parts (a) and (b).

Prof. N. G. Ranga: Have the Provincial Governments been addressed by the Central Government about the advisability of undertaking an amending legislation to the Usurious Loans Act?

The Honourable Sir Henry Craik: Most of them have already done so.

Prof. N. G. Ranga: As for the other Provincial Governments which have not taken any action at all in regard to this, will Government consider the advisability, even at this late hour, of addressing them on the question of their undertaking this amending legislation?

The Honourable Sir Henry Craik: I do not see that there is any necessity to address the Local Governments. They are aware of the problem: they have either considered it or are considering it.

Dr. Ziauddin Ahmad: Are Government aware that the total amount of debt which the agriculturists pay to their creditors every year is about two and a half times the revenue of the Government of India?

The Honourable Sir Henry Craik: I have seen a calculation to that effect.

Dr. Ziauddin Ahmad: If you make the calculation, you will find that that is correct, namely, about 2½ times the revenue of the Government of India.

The Honourable Sir James Grigg: That means an average rate of 20 per cent.

Dr. Ziauddin Ahmad: And that is the rate which the agriculturists pay to the creditors, in spite of the fact that the Government rate of interest is only three per cent. Is it or is it not, then, the duty of the Government of India to take some interest in the prosperity of the agriculturists who form 75 per cent. of the population?

The Honourable Sir Henry Craik: As I have said, after a most thorough consultation and consideration, the Government of India decided that legislation on this subject must be primarily provincial, and I think the majority of the Local Governments have undertaken, and a great many of them have passed, legislation in the sense desired.

Dr. Ziauddin Ahmad: It means that the Government of India have no interest in the prosperity of the agriculturist?

The Honourable Sir Henry Craik: It means nothing of the kind. That is an entirely unjustifiable inference. It is reading into my answer a great deal more than I have stated.

Qazi Muhammad Ahmad Kazmi: May I know what are those provincial Governments which have refused to have any legislation of the kind?

The Honourable Sir Henry Craik: I must have notice.

Mr. S. Satyamurti: I object to the Honourable Member giving his answer, sitting. We do not hear a word, even when he gets up.

Qazi Muhammad Ahmad Kazmi: He is supposed to have answered, though I have not heard him.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think the Honourable Member has answered. What is the answer?

The Honourable Sir Henry Craik: What was the question?

Qazi Muhammad Ahmad Kazmi: Will the Honourable Member please let us know the names of those Provincial Governments which have refused to have any legislation of the kind regarding tenants in their provinces?

The Honourable Sir Henry Craik: So far as I know, none of them have refused. They have either considered or are considering. If the Honourable Member will put down a question, I will give a detailed reply.

Qazi Muhammad Ahmad Kazmi: In answer to a previous question, I was informed that certain Provincial Governments have given reasons for not legislating on this matter and the Government of India are satisfied with those reasons. That presumes that certain Local Governments are not intending to have any legislation to that effect in their provinces.

Sir Girja Shankar Bajpai: I may point out that the questions relate to two different matters altogether. One is the amendment of the Usurious Loans Act. That is the question which the Honourable the Home Member has answered. I answered the question about the Rural Insolvency Act.

Sir Cowasji Jehangir: May I ask the Honourable the Home Member whether he will consider not having questions and answers after Lunch at any time?

The Honourable Sir Henry Craik: I will gladly consider that.

INDIAN MEMBERS OF THE INDIAN MEDICAL SERVICE.

1494. *Sardar Sant Singh: (a) Will Government please lay on the table a list of the members of the Indian Medical Service serving on the District staff? How many of them are Indians and how many Europeans?

(b) How many of the Indian members of the Indian Medical Service are on the command staff or in the Army Headquarters?

(c) Is there any Indian member of the Indian Medical Service in any responsible administrative post, such as Assistant Director of Medical Service, or Deputy Director, Medical Service? If not, why not?

(d) How long has it been since no Indian member of this service was ever placed in any responsible administrative post?

(e) Do Government propose to place the Indian members on such posts? If so, when?

Mr. G. R. F. Tottenham: (a) I lay a statement on the table. There are five Indian and ten European officers on staffs of military districts.

(b) None.

(c), (d) and (e). At present no Deputy or Assistant Director of Medical Services is an Indian, but these appointments have been held by Indian officers in the past and will no doubt be so held in future. I would refer the Honourable Member to the list I laid on the table on the 18th September, 1935, in reply to Dr. Rajan's starred question No. 470.

List of I. M. S. Officers Serving on the District Staff.

Peshawar District.

1. A. D. M. S.—Col. I. M. Macrae, C.I.E., O.B.E.
2. D. A. D. P.—Lt.-Col. A. C. Craighead.

Kohat District.

3. A. D. M. S.—Col. W. J. Powell, C.I.E.
4. D. A. D. P.—Captain T. B. *Pahlajani.*

Rawalpindi District.

5. A. D. M. S.—Col. A. A. McNeight, V.H.S.

Lahore District.

6. D. A. D. H.—Major K. M. *Bharucha.*

Waziristan District.

7. D. A. D. P.—Captain S. S. *Bhatnagar.*

Baluchistan District.

8. D. A. D. H.—Captain V. E. M. Lee.

Meerut District.

9. A. D. M. S.—Col. W. H. Hamilton, C.I.E., C.B.E., D.S.O.
10. D. A. D. H.—Lt.-Col. J. C. *Chukerbuti.*

Lucknow District.

11. A. D. M. S.—Bt.-Col. F. F. S. Smith.
12. D. A. D. P.—Major J. S. Riddle.

Presidency and Assam District.

13. D. A. D. P.—Major J. W. F. *Albuquerque.*

Bombay District.

14 A. D. M. S.—Col. S. G. S. Haughton, C.I.E., O.B.E.

Madras District.

15. A. D. M. S.—Col. D. C. V. FitzGerald, M.C.

Sardar Sant Singh: May I know if it is a fact that the Punjab Government have appointed one I.M.S. man to the hospital at Amritsar?

Mr. G. R. F. Tottenham: That does not arise out of this question. This question refers to the military side.

Sardar Sant Singh: Have Government given permission to an additional I. M. S. man to serve under the Punjab Government?

Mr. G. R. F. Tottenham: A large number of I. M. S. men are posted to the provinces.

Sardar Sant Singh: Is there any special provision by which they are not to be employed on the district staff in more than a fixed number?

Mr. G. R. F. Tottenham: I am not aware of any special provision of that kind.

RELIGIOUS HOLIDAYS OBSERVED IN THE INDIAN MILITARY ACADEMY.

1495. ***Sardar Sant Singh:** (a) Will Government be pleased to state if any religious holidays are observed in the Indian Military Academy, Dehra Dun? If so, which?

(b) Does the Indian Military Academy observe the holidays which are declared as public holidays under the Negotiable Instrument Act for Dehra Dun?

Mr. G. R. F. Tottenham: (a) and (b). No religious holidays are observed at the Indian Military Academy, Dehra Dun, not even those declared public holidays under the Negotiable Instruments Act. The Honourable Member will appreciate that if religious holidays were recognised at all, it would be necessary to recognise those of all communities, which constitute a formidable total; while, if each cadet were to observe those of his own community, the work of the whole class would be held up in his absence. After careful consideration, Government have come to the conclusion that the course adopted is the best one. They are satisfied, however, that the cadets have ample spare time for private worship.

Mr. M. S. Aney: Are the Christmas holidays observed?

Mr. G. R. F. Tottenham: They have two vacations a year.

Qazi Muhammad Ahmad Kazmi: I want to know whether the Christmas holidays are given?

Mr. G. R. F. Tottenham: I should require notice of that question.

Qazi Muhammad Ahmad Kazmi: Has the Honourable Member made any inquiries at all about the holidays given in the school?

Mr. G. R. F. Tottenham: The Academy have two terms in the year and two vacations. I am not quite sure when the terms end and the vacations begin in each case.

Qazi Muhammad Ahmad Kazmi: So, I understand the Honourable Member has made no inquiries about it whatsoever?

Mr. G. R. F. Tottenham: I have made ample inquiries to answer the question put by Sardar Sant Singh.

ACTS OF CORRUPTION ON THE KALURKOT RAILWAY STATION OF THE NORTH WESTERN RAILWAY.

1496. ***Sardar Sant Singh:** (a) Has the attention of Government been drawn to the various acts of corruption on the Kalurkot Railway Station in the Rawalpindi Division of the North Western Railway?

(b) What steps have they taken to stop this practice?

(c) Is it a fact that many complaints about the staff of this particular station have been made by the passengers to the Railway authorities? If so, with what result?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (c). Government are informed that some complaints against the staff have been received and are being enquired into. If the staff are found at fault, necessary action will be taken against them.

Sardar Sant Singh: Is the Honourable Member aware that the station master of this station in the Mianwali district uses abusive language towards the passengers?

The Honourable Sir Muhammad Zafrullah Khan: Had I been aware that this particular station master had offended in that respect he would not have continued to be the station master of this or any other place for long.

Sardar Sant Singh: Will the Honourable Member be prepared to make enquiries about this particular station master?

The Honourable Sir Muhammad Zafrullah Khan: On receipt of some of these complaints sent direct to me, I had intended to direct that the Agent of the North Western Railway should send somebody, who would not be known to the station staff, to watch and to make inquiries. I am afraid the publicity given to this matter here has put that out of the question.

SPREAD OF FLY EPIDEMIC IN THE SUMMER HILL QUARTERS, SIMLA.

1497. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Will Government please state if the Secretary, Indian Clerks' Association, Summer Hill Quarters, and the Medical Officer in charge, Summer Hill Quarters, complained to the Health Officer, Simla, regarding the spread of fly epidemic —source of all contagious diseases—and the most insanitary conditions of the suburbs of Government quarters, such as Aindri, etc., which are at a stone's throw from the quarters? If so, what action was taken by the authorities concerned in the matter? If none, why not?

(b) Will Government please state if the suburbs of the Government Summer Hill quarters are exempted from the *general operation of Simla sanitary rules*? If so, when was their exemption sanctioned by the Local Government? If not, why have those suburbs been neglected by the Simla Health Department?

(c) Is it a fact that the sanitary staff of Simla is paid special allowance by Government for looking after the sanitation of Summer Hill Government quarters? If so, was any action taken by the sanitary staff concerned to check the spread of fly epidemic, which has told much on the health of its residents? If not, why not?

Sir Girja Shankar Bajpai: (a) One complaint was received by the Municipal Committee, Simla, from the Honorary Secretary, Summer Hill Club, and was investigated. The Health Officer, Simla, denied the presence of any epidemic due to flies in the area in question. The Government understand that the Municipality has decided to enforce measures directed against fly breeding in such villages as Aindri.

(b) The suburbs are not exempted from the operation of the Rules. They were not neglected by the Health Department, though difficulty was experienced in enforcing the Rules in some of the villages.

(c) The Sanitary Inspectors at Summer Hill and other parts of Simla receive a small extra duty pay monthly from the Municipal Committee from the grant which it receives from the Government of India for undertaking the sanitation of Government quarters in Simla. Every effort is made by the Sanitary Inspectors to check the nuisance and danger from flies at Summer Hill.

TRAFFIC AND COMMERCIAL INSPECTORS ON THE NORTH WESTERN RAILWAY.

1498. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Will Government please state the number of Traffic and Commercial Inspectors on the North Western Railway?

(b) Will Government please state how many of them are Europeans, Sikhs, Parsees, Muslims, etc.?

(c) Is it a fact that there are no Parsees who hold these posts? Are Government prepared to consider the appointment of a man of this community to this post? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). I lay a statement on the table of the House giving the required information.

(c) The reply to the first part of the question is in the negative. As regards the rest, these posts are generally filled by promotion into which communal considerations do not enter.

Statement.

Designation.	European.	Sikhs.	Parsis.	Muslims.	Anglo-Indian.	Hindus.
Traffic Inspectors . . .	25	1	1	10	7	5
Commercial Inspectors . .	..	..	..	..	..	..
Rates Inspectors . . .	..	..	..	1	..	5
Claims Inspectors . . .	..	1	..	4	..	10
Sales Inspectors . . .	..	2	..	3	..	3

ANSWERS OF CERTAIN QUESTIONS ASKED IN THE LEGISLATIVE ASSEMBLY.

1499. ***Dr. N. B. Khare:** With reference to the interpellations in this House on the 9th March, 1936, numbers 1025 to 1027, will Government please state:

(a) whether the notices of these questions were given on the 7th February, 1936; if not, on what date; and

(b) when the answers in detail will be placed before this House?

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

(b) The answers were laid on the table of the House on 25th March, 1936.

MUSLIMS IN THE INDIAN POLICE IN THE BOMBAY PRESIDENCY.

1500. ***Mr. K. L. Gauba:** (a) Are Government aware of the fact that the number of Muhammadans in the Indian Police, higher grade, in the Bombay Presidency does not exceed two (one of whom is about to retire)?

(b) If so, are Government prepared to consider the advisability of enhancing the number of Muhammadans in the higher Police Service, particularly in the Indian Police in that Presidency?

(c) Will Government make it clear whether it is incumbent upon them to reserve posts in the higher services for Muslims under the scheme of special representation, which has been already put into force?

(d) Are Government prepared to introduce into the Bombay Presidency the system, which has been in existence in the Madras Presidency, by which one of the seats has been specifically reserved for non-Brahmans, which term includes Muhammadans?

The Honourable Sir Henry Craik: (a) Of the eight posts of District Superintendent of Police at present held by Indians on the Indian Police cadre, Bombay, two are held by Muhammadans, of whom one is about to retire.

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(b) Appointments to Provincial Police Services are made under rules framed by Local Governments. As regards the Indian Police, recruitment to which is also made on a provincial, as distinct from an all-India, basis, Provincial Governments are empowered to withhold appointments from competition and make their proposals for filling them by limited competition or nomination when necessary. Further, Local Governments are required, when submitting annually their proposals for recruitment by examination, to submit their views in regard to the necessity of reserving vacancies to be filled by limited competition or nomination. Government do not consider that any further action is called for at present.

(c) If by the expression "scheme of special reservation" the Honourable Member means the Home Department Resolution No. F.-14/17-B./33-Ests., dated the 4th July, 1934, I would point out that the orders in that Resolution do not apply to the Indian Police.

(d) The assumption that one vacancy in the Indian Police in Madras is specifically reserved for non-Brahmans every year is incorrect. The position is that limited competition in Madras is held annually to recruit from among particular communities in order to prevent the preponderance in the service of any one community. The term 'non-Brahmans' however does not include 'Muhammadans'. In the case of Bombay there is, as explained in part (b) above, nothing to prevent the Local Government from similarly recommending recruitment by limited competition from a particular community if they consider it necessary in the interests of that community to do so.

POSTMEN AND LOWER GRADE STAFF UNION, DELHI PROVINCE.

1501. ***Mr. Anugrah Narayan Sinha:** (a) Are Government aware that in view of the administrative position of the Delhi Province in charge of a Chief Commissioner directly subordinate to the Governor General in Council and of the unique importance of its chief city, Delhi, as the capital of India, the Postmen and Lower Grade Staff Union, Delhi Province, was affiliated to the All-India Postmen and Lower Grade Staff Union as a Provincial Union corresponding with the status of a Provincial Union, accorded to Clerks Union of the Delhi Province by the All-India (including Burma) Postal and Railway Mail Service Union?

(b) Is it a fact that the Director General, Posts and Telegraphs, was pleased to instruct the Vice-President of the Lower Grade Staff Union, Delhi Province, in his letter No. 12-Est. B./32 of 13th October, 1932, that reference from his Union regarding matters of local interest should be made to the Postmaster, Delhi, and those in respect of any matter affecting the circle as a whole in which the decision of the circle was necessary, the Postmaster General, Punjab and North-West Frontier be addressed, a copy of the letter being simultaneously furnished to the Postmaster, Delhi?

(c) Is it a fact that this position was not accepted by the Postmaster General, Punjab and North-West Frontier Circle?

(d) Will Government be pleased to state if they have made up their mind to allow the privilege to the Postmen and Lower Grade Staff Union, Delhi Province, to correspond in the manner contemplated in Director General's letter referred to above? If not, why not?

(e) Will Government be pleased to state whether the Delhi Provincial Union has been assigned the same status as is accorded to Clerks' Union of the Delhi Province? If not, why not?

The Honourable Sir Frank Noyce: (a) to (e). Information has been called for and a reply will be placed on the table of the House in due course.

PRIVILEGE OF VOLUNTARY RETIREMENT TO POSTMEN AND INFERIOR SERVANTS SERVING IN BURMA.

1502. ***Mr. Anugrah Narayan Sinha:** (a) Will Government be pleased to state whether concessions of voluntary retirement from service, on account of separation of Burma from India, was offered to Indian postmen and inferior servants of General Post Office, Rangoon, and its town sub-offices? If not, why not?

(b) Are Government prepared to consider the desirability of allowing the same privilege of voluntary retirement to postmen and inferior servants serving in Burma, that was extended to clerks and other officers?

The Honourable Sir Frank Noyce: (a) and (b). The question of the terms to be offered to employees of the Central Government in Burma at the time of separation is still under consideration.

ABOLITION OF THE LOWER DIVISION CADRE CREATED IN THE INTEREST OF THE POSTMEN.

1503. ***Mr. Anugrah Narayan Sinha:** (a) Is it a fact that lower division cadre which was created in the interest of postmen has now been abolished?

(b) Is it a fact that the postmen in order to be promoted to the lower division cadre had to pass certain tests prescribed for the purpose?

(c) Is it a fact that the last examinations under the rules for such appointments was held in the Calcutta General Post Office in May 1935?

(d) If not, will Government be pleased to state how many postmen appeared at this examination and how many were successful?

(e) Is it a fact that those postmen who had passed the prescribed test were not given appointments when vacancies occurred in Calcutta General Post Office or its town sub-offices?

(f) Is it a fact that those postmen who have been appointed in lower grade divisions have not been allowed their due increments?

(g) Is it a fact that officiating period as overseer or sorting postmen are not counted towards service and consequently towards increment in their salary?

The Honourable Sir Frank Noyce: (a) Yes, but the Lower Division cadre was not created in the interests of postmen alone.

(b) Yes.

(c) to (g). Government have no information and do not propose to call for it. It is open to the officials concerned to represent their case to the proper authority if they consider that they have a grievance.

VACANCY IN THE CADRE OF POSTMASTER GENERAL INCLUDING THE DEPUTY DIRECTOR GENERAL, POSTAL SERVICES.

1504. ***Bhai Parma Nand:** (a) Is it a fact that there is a permanent vacancy in the cadre of Postmasters General including the Deputy Director General, Postal Services? If so, from which date?

(b) If the reply to part (a) above be in the affirmative, will Government please state why the vacancy has not yet been filled permanently?

The Honourable Sir Frank Noyce: (a) Yes. From the 22nd December, 1935.

(b) The question of selecting an officer to fill the vacancy permanently is under consideration.

DEVELOPMENT OF INDIAN SHIPPING.

1505. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they have considered or propose to consider the whole question of the future of Indian shipping, coastal as well as ocean-going, in view of the provisions of the Government of India Act of 1935; and

(b) whether they intend taking any steps to help Indian shipping to progress, if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) I would invite the Honourable Member's attention to my reply to his question No. 754 on the 24th February, 1936. Government are not aware of any provisions of the Government of India Act, 1935, which make it necessary to reconsider that policy.

(b) Government propose, to maintain their policy of assisting the developing of Indian shipping.

Mr. S. Satyamurti: Are Government aware that when the Government of India Act, 1935, comes into force, any kind of help or subsidy which they make to any concern in India will be equally applicable to concerns registered in the United Kingdom also, and, in view of that, will Government consider taking steps in the meantime (such time as will be available) to help the progress of Indian shipping, both coastal and ocean-going?

The Honourable Sir Muhammad Zafrullah Khan: With regard to the question of help for Indian shipping, my reply is as I have read it out. With regard to the other part of the question that is asking me to interpret the provisions of the Government of India Act, 1935, and that is a thing which I am not competent to do.

Mr. S. Satyamurti: I heard my Honourable friend say: "Government are not aware of any provisions of the Government of India Act, 1935, which affect this matter"?

The Honourable Sir Muhammad Zafrullah Khan: I said "which make it necessary for Government to reconsider the policy which they have been pursuing."

Mr. S. Satyamurti: I am asking whether his attention has been drawn to the fact that, once this Act comes into force, any help which may be given to Indian shipping companies registered in India will have to be given to companies registered in the United Kingdom also, and whether the Government of India will consider taking steps in the meantime to help Indian shipping, that is, all registered companies in this country alone

The Honourable Sir Muhammad Zafrullah Khan: I have already stated that it has been the Government of India's policy, to the extent described in my reply to the previous question to which I have referred, to help Indian shipping; and I said there is nothing so far as provisions of the Government of India Act, 1935, are concerned, which makes it necessary to reconsider that policy, that is to say, to help Indian shipping in the directions indicated in those replies.

Mr. S. Satyamurti: Do Government realise that, once they begin to help shipping under the working of this Act, they will have to help all Empire ships equally?

The Honourable Sir Muhammad Zafrullah Khan: The continued pursuit of the policy indicated will not be affected in any way by the provisions to which the Honourable Member has referred.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

POSITION OF THE FOREIGN AND POLITICAL DEPARTMENT *VIS-A-VIS* STATES OUTSIDE THE BRITISH EMPIRE.

1506. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether, in the discharge of its duties so far as states outside the British Empire are concerned, the Foreign and Political Department, merely carries out the orders of His Majesty's Government, or is their agent to an extent; if so, to what extent;

(b) whether they consider the position which India takes in respect of matters arising between India and foreign states; and

(c) whether their decisions are communicated to the Secretary of State for India or to His Majesty's Government, as the decisions of the Government of India or of the Foreign and Political Department alone?

Sir Aubrey Metcalfe: (a) The constitutional position is that the Government of India have no relations with Foreign Powers. Such relations are ultimately the responsibility of His Majesty's Government and the instructions of His Majesty's Government have accordingly to be obtained upon all important issues affecting relations with a Foreign State. In practice, the views of the Government of India receive full consideration from His Majesty's Government, particualrly, in respect of matters affecting the relations between His Majesty's Government and Foreign States with which India is in direct geographical contact.

(b) The Honourable Member's meaning is not clear and Government must ask for further elucidation of that meaning before a reply can be framed.

(c) The Foreign and Political Department are, like other Departments of the Government of India, merely a part of that Government and are not, therefore, in a position to come to any decision of their own. It follows that all decisions are expressed to be made by the Government of India.

Mr. S. Satyamurti: With reference to the answer to clause (a), may I know if India is a signatory of the Treaty of Locarno?

Sir Aubrey Metcalfe: I think not, but should have to verify the point.

Mr. S. Satyamurti: Is India being consulted with reference to the negotiations going on about the occupation of the Rhineland by the Germans?

Sir Aubrey Metcalfe: The Government of India have not been consulted.

Mr. S. Satyamurti: Does the Honourable Member know that the Dominions are being consulted?

Sir Aubrey Metcalfe: I am not aware of that.

Mr. S. Satyamurti: Has the Honourable Member's attention been drawn to a statement of the Premier of England the other day that in giving instructions to Mr. Eden, the Foreign Secretary, he was keeping in the closest touch with the representatives of Canada, New Zealand and South Africa?

Sir Aubrey Metcalfe: I saw something in the Press about that but I must point out that India is not at present a Dominion.

Mr. S. Satyamurti: May I take it, therefore, that India's being a member of the League of Nations or being a party to the Versailles Treaty is not in any independent capacity, but operates merely as an additional vote for England?

Sir Aubrey Metcalfe: I cannot accept that as a correct statement of the position.

Mr. S. Satyamurti: What is the correct position? Has India any independent voice wholly or partially, or is she merely an additional vote and security for England? I want the exact position to be elucidated.

Sir Aubrey Metcalfe: I am certainly not prepared to make my answer more lucid than I have done. I think, Sir, you will admit that my position is reasonable.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot reasonably be expected to be more explicit in dealing with a difficult question like that.

Mr. S. Satyamurti: I submit, Sir, we have given ample notice, he deals with the question every day and he says it is difficult for him to be more explicit?

Mr. President (The Honourable Sir Abdur Rahim): The question has been answered so far as the Honourable Member has been able to do that.

Mr. S. Satyamurti: As regards clause (b), I should like an elucidation of the position. I ask whether the Foreign and Political Department considers that the position which India occupies in matters arising between India, that is as an original Member of the League of Nations, and foreign States, is an independent one, or whether the Government simply carry out orders passed in London or Whitehall.

Sir Aubrey Metcalfe: In the last resort, as I have already explained, the Government of India, as at present constituted, have to carry out the instructions of the Secretary of State and His Majesty's Government. The Honourable Member knows that perfectly well. I have explained that on all important issues the Government of India are consulted and full weight is given to the views which they express. I cannot explain the situation more clearly than that, no matter how long the Honourable Member continues his cross-examination.

Mr. S. Satyamurti: I intend putting my questions, so long as I can. I want to know from my Honourable friend whether, before the last resort is reached, in every case where the Government of India and foreign States come into any relations, the opinions of the Government of India are put before the British Government and are taken into consideration by them.

Sir Aubrey Metcalfe: I have already said that that is so; I cannot state it more clearly.

Mr. S. Satyamurti: Is it in every case?

Sir Aubrey Metcalfe: In every case where India is concerned, our views are stated by the Government of India and those views are taken into consideration by His Majesty's Government.

Mr. S. Satyamurti: Was India consulted on the question of the German occupation of the Rhineland?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has already answered that question.

Mr. S. Satyamurti: Was India consulted in respect of the action which His Majesty's Government are proposing to take or are taking in respect of the German occupation of the Rhineland?

Sir Aubrey Metcalfe: His Majesty's Government have not as yet, so far as I know, taken any action in that matter; they are still considering what is to be done.

Mr. S. Satyamurti: Is it not the case that Staff talks are going on between the French, Belgian and British General Staffs and that these are causing a great alarm in Germany?

Sir Aubrey Metcalfe: May I know what these Staff talks have to do with my Honourable friend or the Government of India?

Qazi Muhammad Ahmad Kazmi: Is the opinion of the Government of India taken as that of an assessor or of a juryman?

Mr. President (The Honourable Sir Abdur Rahim): Order, order. Next question.

LOSS OF INDIAN REVENUE THROUGH THE FRENCH PORTS.

1507. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) whether they are aware of the message on page 3 of the *Hindustan Times*, dated the 15th March, 1936, regarding the loss of Indian revenue through the French ports;

(b) whether the facts stated in it are true;

(c) the estimated loss of Indian revenue through the French ports; and

(d) whether they are taking any steps in the matter?

Sir Aubrey Metcalfe: (a) Yes.

(b) The facts stated with regard to loss to Indian revenues are substantially correct.

(c) It is not possible to give an accurate estimate.

(d) I have at present nothing to add to what has appeared in the press.

Mr. S. Satyamurti: Are Government taking steps in the matter?

Sir Aubrey Metcalfe: Certainly, they are taking all the steps that can be taken, but it would not be in the public interest to explain exactly what these steps are.

Mr. S Satyamurti: I am asking whether they are taking any steps in the constructive direction, as I put it to the Honourable the Finance Member, of creating a *zollverein*, or customs union, for the whole of geographical India?

The Honourable Sir James Grigg: I would like to know how you would create a *zollverein* of British India and French territory in India.

Mr. S. Satyamurti: By negotiation. You do many things in Great Britain!

ELECTION OF THE STANDING FINANCE COMMITTEE.

The Honourable Sir James Grigg (Finance Member): Sir, I beg to move:

"That this Assembly do proceed to the election, for the financial year 1936-37, in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number, to which shall be added a Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be the Chairman of the Committee."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That this Assembly do proceed to the election, for the financial year 1936-37, in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number, to which shall be added a Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be the Chairman of the Committee."

The motion was adopted.

ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, eleven Members from the Assembly who shall be required to serve on the Standing Finance Committee for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on 20th September, 1924, on the subject of the separation of Railway Finance."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, eleven Members from the Assembly who shall be required to serve on the Standing Finance Committee for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on 20th September, 1924, on the subject of the separation of Railway Finance."

The motion was adopted.

ELECTION OF THE STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I beg to move:

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

Mr. President (The Honourable Sir Abdur Rahim): The question is:

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

The motion was adopted.

ELECTION OF THE STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

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

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

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

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What are the functions of this Committee? May I know whether it has ever met during the last year? My own information is—I may be wrong—that is has never met during the last year. At any rate what is the use of having a Committee which never meets?

The Honourable Sir Muhammad Zafrullah Khan: During the last year no questions arose over which the Department could consult the Committee.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): What about the Ottawa Agreement? Could you not have consulted the Committee on that?

Sir Cowasji Jehangir: Will the Honourable Member then tell us what is the use of having this Committee? We have lots of Committees. We go through the farce, I will not say farce, we put ourselves to the trouble to electing Members to these Committees. If they do not meet at all, then it is better to drop out those Committees.

The Honourable Sir Muhammad Zafrullah Khan: The use of this Standing Committee is that, during the course of the year, if questions arise on which its advice is required, it can be consulted. As I have said, no occasion arose last year when we could have consulted the Committee.

Sir Cowasji Jehangir: May I then put it to the Honourable Member that here is a high sounding Committee on Commerce, and if no questions arose during the whole year which could be put before the Committee, is it not then a very good argument for not having this Committee at all?

The Honourable Sir Muhammad Zafrullah Khan: If the House does not choose to elect its Members to serve on this Committee, it is open to the House to do so.

Sir Cowasji Jehangir: It is open to the Honourable Member to make more use of the Committee.

The Honourable Sir Muhammad Zafrullah Khan: I will.

Mr. S. Satyamurti: I submit, Mr. President, that the House expects from the Honourable the Mover of this motion a more responsible answer. My Honourable friend, the Baronet from Bombay, a very responsible Leader of a Party, asked the Government as to why they did not make use of this Committee during one full year. The Honourable the Commerce Member says, it is open for the House not to elect the Committee. The Honourable the Baronet from Bombay has, in my judgment, given valid reasons why the Committee ought not to be elected. But for the Government Member to say, "if you do not want to elect a Committee, you need not do so," I submit, Mr. President, this is a flippant and an irresponsible answer.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think the Honourable Member should use such language.

Mr. S. Satyamurti: I am using only parliamentary language.

Mr. President (The Honourable Sir Abdur Rahim): Is the Honourable Member questioning the ruling of the Chair?

Mr. S. Satyamurti: I am not questioning your ruling, Sir. I said, in my opinion, the Honourable Member's answer was flippant. So long as I am here using parliamentary words,—I am entitled to say what I feel—I suggest that when an Honourable Member of the Government makes a motion of this kind and when a respected and leading Member of this House, like the Baronet from Bombay, gets up and puts relevant questions, we expect some relevant answers, and it is not for the Honourable the Commerce Member to dictate to us to elect or not to elect representatives to serve on the Committee. I, therefore, submit, Sir, that this House ought to consider its own dignity and refuse to vote for this motion. To say that there was no question during the whole of last year on which the Committee could have been consulted betrays great ignorance on the part of the Honourable Member and it also shows great irreverance to the Committee. Last year, we had the Ottawa Agreement, the Indo-British Agreement—all these surely relate to commercial matters, and the Committee could have been consulted. If these are not commercial matters, I wonder what then are commercial matters. There was also the question of tariffs. Does my Honourable friend suggest that the Tariff Board's reports and none of the subjects I have mentioned just now were important enough to be placed before this Committee? If these questions were not fit enough for the Committee to give its advice, what other questions will arise? I, therefore, do appeal to my Honourable friends to say, no, to this motion.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

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

The Assembly divided:

AYES—3.

Abdullah, Mr. H. M.
Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A Venkatarama.
Bajoria, Babu Baijnath.
Bajpai, Sir Girja Shankar.
Bhagchand Soni, Rai Bahadur Seth.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Das Gupta, Mr. S. K.
Dash, Mr. A. J.
Dow, Mr. H.
Fazl-i-Haq Piracha, Khan Bahadur Shaikh.
Ghuznavi, Sir Abdul Halim.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
Jenkins, Mr. E. M.
Khurshaid Muhammad, Khan Bahadur Shaikh.
Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Roughton, Mr. N. J.
Sale, Mr. J. F.
Scott, Mr. J. Ramsay.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Witherington, Mr. C. H.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.
Ziauddin Ahmad, Dr.

NOES—47.

Aaron, Mr. Samuel.
Amey, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Badi-uz-Zaman, Maulvi.
Bhagavan Das, Dr.
Chaliha, Mr. Kuladhar.
Chunder, Mr. N. C.
Das, Mr. B.
Datta, Mr. Akhil Chandra.
Deshmukh, Dr. G. V.
Essak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Ghiasuddin, Mr. M.
Ghulam Bhik Nairang, Syed.
Giri, Mr. V. V.
Govind Das, Seth.
Gupta, Mr. Ghanshiam Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jehangir, Sir Cowasji.
Jogendra Singh, Sirdar.
Kailash Behari Lal, Babu
Khan Sahib, Dr.
Khare, Dr. N. B.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Murtuza Sahib Bahadur, Maulvi Syed.
Paliwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhri.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Satyamurti, Mr. S.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Sahib Nawab.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Thein Maung, Dr.
Umar Aly Shah, Mr.
Varma, Mr. B. B.

The motion was negatived.

ELECTION OF THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, six non-official Members from the Assembly who shall be required to serve on the Central Advisory Council for Railways."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, six non-official Members from the Assembly who shall be required to serve on the Central Advisory Council for Railways."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform Honourable Members that for the purpose of election of members to the Standing Finance Committee, Standing Finance Committee for Railways, Standing Advisory Committee for the Indian Posts and Telegraphs Department, and the Central Advisory Council for Railways, the following dates have been fixed for receiving nominations and holding elections, if necessary, namely:—

Name of Committee.	Nominations.	Election.
(1) Standing Finance Committee	14-4-1936	16-4-1936
(2) Standing Finance Committee for Railways	14-4-1936	16-4-1936
(3) Standing Advisory Committee for the Indian Posts and Telegraphs Department	14-4-1936	17-4-1936
(4) Central Advisory Council for Railways	17-4-1936	Date to be announced later.

The nominations for all the Committees will be received in the Notice Office upto 12 noon on each day appointed for the purpose. The elections which will as usual be held in the Secretary's Room in the Council House between the hours of 10-30 A.M. and 1 P.M. will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment).

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment)."

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I introduce the Bill.

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir James Grigg (Finance Member): Sir, I beg to move for leave to introduce a Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931."

The motion was adopted.

The Honourable Sir James Grigg: Sir, I introduce the Bill.

THE INDIAN TEA CESS (AMENDMENT) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tea Cess Act, 1903, for certain purposes.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tea Cess Act, 1903, for certain purposes."

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I introduce the Bill.

THE INDIAN AIRCRAFT (AMENDMENT) BILL.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move for leave to introduce a Bill to amend the Indian Aircraft Act, 1934, for a certain purpose.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill to amend the Indian Aircraft Act, 1934, for a certain purpose."

The motion was adopted.

Sir Girja Shankar Bajpai: Sir, I introduce the Bill.

THE INDIAN MINES (AMENDMENT) BILL.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Mines Act, 1923, for certain purposes.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to amend the Indian Mines Act, 1923, for certain purposes."

The motion was adopted.

The Honourable Sir Frank Noyce: Sir, I introduce the Bill.

Sir, I beg to move:

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, be referred to a Select Committee consisting of Mr. V. V. Giri, Prof. N. G. Ranga, Mr. Ram Narayan Singh, Qazi Muhammad Ahmad Kazmi, Mr. M. Ghiasuddin, Khan Sahib Nawab Siddique Ali Khan, Mr. N. C. Chunder, Mr. G. Morgan, Mr. N. M. Joshi, Mr. A. J. Dash, Sir Abdul Halim Ghuznavi and the Mover, with instructions to report on or before the 14th April, 1936, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, I owe the House an apology for making the first two motions in regard to this Bill on the same day. My excuse must be that the situation arising out of the fires in the Jharia coalfields demands urgent attention. It is specially desirable that such preventive and remedial measures as can be taken should be brought into force at once as colliery fires are more active in the monsoon period than in any other. It is in these circumstances that I am seeking the co-operation of the House in passing this Bill through all its stages during the current Session. May I, Sir, venture to express the earnest hope that that co-operation will be forthcoming in tangible form this afternoon by the passing of this motion today, in order that the Select Committee may meet during the ensuing week-end?

As the House is aware—I have given the information in reply to a number of questions on the subject—there are now about forty-seven fires in twenty-nine different collieries in the Jharia coalfield. The House would, I think, wish me at the outset to explain briefly and in language as free from technicalities as I can make it, the causes of these fires. The chief cause, indeed, so far as is known the only cause of the fires, with one or two exceptions, has been spontaneous combustion, that is, a process of oxidisation of crushed coal which goes on increasing until the heat developed is sufficient to cause the coal to break out into active combustion. In one important case which was not apparently due to spontaneous combustion, the fire—an extensive one—appears to have been caused by the dumping of hot rejections from the manufacture of soft coke into a quarry from which there were openings into a coal seam. The coal eventually caught fire and all efforts to restrict and isolate the fire were unsuccessful, with the result that it spread to five contiguous collieries.

Fires being due to the oxidisation of crushed coal, the next question which naturally arises is "What causes the crushing of the coal?" The chief cause of this is the premature collapse of the strata above the coal seams due to the weak nature of the pillars of coal left in the mine to support the roof. In the past, it has unfortunately been too frequently the practice to form the pillars of too small a size in the first instance or to reduce them to too small dimensions afterwards. The weakness of the support afforded by the pillars has resulted in the premature collapse of the roof and the crushing and burying of the small pillars of coal in the process. In some instances, systematic extraction of the reduced pillars has been started, but when the work reached a stage when collapse of the roof took place, the collapse has extended over a larger area than that from which pillars have been extracted, crushing and burying pillars in the way I have already described. Underground fires also occur, though less frequently than in the case of premature collapses, in

[Sir Frank Noyce.]

mines in which pillars of a reasonable size have been formed. In the extraction of the pillars, owing to the great thickness of the seams in the Jharia coalfield—some of them are between 40 and 50 feet in thickness—it is usually impracticable to remove all the coal. Parts of pillars and occasionally whole pillars of coal are lost and the conditions which cause spontaneous combustion take place.

Until last year, the measures taken to control and isolate the fires in the Jharia coalfield proved effective in preventing serious accidents. That is a point to which I should like to draw the special attention of the House. I would now very briefly describe the measures which have been taken to control and isolate the fires. Where the area in which coal is on fire lies at a fair depth from the surface and there are no fissures in the ground visible at the surface, brick stoppings are built in all the galleries communicating with the area on fire. If the sealing can be done effectively, the fire gradually becomes smothered by the products of combustion and although the fire may not be actually extinguished, it may be possible to prevent it from becoming active. If there are breaks in the surface, the same procedure is adopted, and in addition the fissures in the ground are blanketed, that is, sealed off with sand or earth so as to prevent the movement of air from the fire to the surface and *vice versa*.

As I have said, it was not until last year that there was a serious accident due to fires in coal mines. The first serious accident took place at the Bagdigi colliery on the 29th June last and resulted in nineteen people being killed and seven injured. A Court of Inquiry was set up by the Government of Bihar and Orissa and it was found that the accident was due to an explosion of inflammable gases. This in its turn was caused by an inrush of water during heavy rain on a fire which was in progress in the upper seam, the result being the reversal of the air current. Actually, nearly all the workers in the mine were got out in time. The fatalities in the mine numbered only five and of these one was the courageous headman who had realised that something was wrong and having got out most of the men had gone back to secure the evacuation of the remaining men. The bulk of the casualties was due to the unfortunate circumstance that a number of the men who had been got out of the mine waited for their companions too near the entrance to the incline and were burnt by flames coming from within the mine. The report of this case drew attention to the inadequacy of the regulations in respect of underground fires and recommended a number of changes. It also recommended the appointment of a Committee to enquire into dangers arising from underground fires and to suggest further safety measures.

The circumstances disclosed by this report and other information which had reached me forced on me the conviction that it was necessary to act more urgently than the Court of Enquiry had contemplated. The appointment of a committee, as every one is aware, is seldom the speediest way of securing the object aimed at, and the framing of regulations under the Mines Act, as it stands at present, is bound to be the sole business. Section 31 of that Act prescribes a double process of consultation: any regulations which we desire to make have, after they have been drafted, to be placed before the mining boards in the first instance, and, when their opinions have been received and examined might have

then to be published for criticism. After criticisms of the public generally and of the other interests concerned have been reviewed, it is only then that the regulations can be promulgated. Honourable Members will realise that, however expeditiously we may work, this process seldom takes much less than a year. I took steps, therefore, to secure a discussion of the question with experts with a view to seeing whether action should not be taken more urgently and, if so, what action was possible and desirable. It was after these arrangements had actually been put in train that a second and more serious accident, due to a fire, occurred. This was at the Loyabad colliery and, as the House will remember, it took place on the 30th of January. It is at present under examination by a Court of Enquiry and so I do not propose to deal with its causes. But I may say that such information as I have at present is that the fire was discovered only a few hours before the accident and that all the night shift were safely evacuated. Those who were killed were engaged in an attempt to control the fires.

The proposals I am now placing before the House are the outcome of an informal conference held in this building on the 19th and 20th of February. It was attended by representatives of six organisations—three of coal owners, two of mine managers and one of mining labour. I would take this opportunity of acknowledging the very full co-operation offered by all these organisations. We had also the assistance of various experts, official and non-official. As a result, we came to a fairly general agreement on the nature of the measures which were immediately required, and the conference also recognised that further investigation would be necessary to put the safety provisions on a satisfactory footing.

4 P.M.

I trust that the explanation that I have given and the notes appended to the Statement of Objects and Reasons will enable Honourable Members to follow the proposals in the Bill without much difficulty. The operative clauses are only four in number. Of these, one clause, clause 3, enlarges in minor respects the existing power to make regulations. Another, clause 5, proposes to give Government power to frame regulations much more speedily than is possible at present. Any regulations so framed are to be purely temporary in their duration, and any proposals for permanent regulations should be referred at or about the same time to the mining boards and we shall go through that regular but lengthy procedure before any permanent regulations are made. Clause 4 of the Bill is designed to secure in at least the main coalfields the establishment of central rescue stations. Clause 2 of the Bill is of a temporary character and seeks to enlarge the powers already vested in the Inspectorate to issue orders to individual mines.

I referred earlier to the suggestion of the Bagdigi Court of Enquiry that a committee should be appointed to investigate the whole question of safety in mines, and our intention is to secure an expert investigation of the kind recommended within, I hope, the next twelve months. We have not yet reached any conclusions regarding either the composition of the committee or its terms of reference. But I may say that I think it is likely that it will be asked also to deal with the general and very important and complex problem of coal conservation. As recent events have emphasised, this is bound up to a certain extent with this question of safety.

[Sir Frank Noyce.]

It may be true, as some of our experts hold, that the amount of coal actually lost by the fires is not a great deal in comparison with the amount which has been already extracted; and what is far more important, also in comparison with the amount still remaining to be mined. The threat to the collieries, as a whole, is a serious one and must become more so for one cannot see an end to the outbreaks of fires if the present system of working continues. As some Members of the House may be aware, a committee known as the Coalfields Committee investigated the question of coal conservation with special reference to the Jharia and Raniganj coalfields in 1920. Its main recommendation was that sandstowing, that is, packing the space from which coal is removed with incombustible material, usually sand, should be made compulsory within certain limits and that funds for this purpose should be raised by a cess of eight annas a ton on all coke and coal, to be collected by the railway companies on despatches, and to be administered by a controlling authority. These proposals, involving as they do, a considerable measure of control over the industry, failed to secure a sufficient measure of support at the time. But every year that goes by makes the problem of dealing with the waste of one of India's most valuable natural resources more difficult and it is one to which we have devoted earnest attention during the last two or three years. Our efforts in that direction had reached a stage at which I had hoped that it would not be long before we were able to place our proposals before those interested, but it now seems preferable to adopt the course of action I have just now indicated, namely, that the dual aspect of the problem, the avoidance of waste and the avoidance of accidents, should be investigated by an expert committee. I hope, that with the advice of a committee of this kind, we shall be in a position to take more complete action and will also be in a position to approach the House with proposals for the better conservation of the coal resources of the country.

I have seen suggestions that the measures we are now putting forward should have been put forward many years ago. On that I should like to offer a few observations. The first is that the subject of safety in mines and indeed of danger from fires is not as some journalistic comments I have seen might lead Honourable Members to believe, one that has suddenly come to our notice. I read, for example, in one cutting to which Mr. Satyamurti kindly drew my attention that: "the surprise is that, through these many years, those in charge of coal mining should have been unaware of what appear to be rudimentary precautions." Actually, the question of safety precautions is under the almost constant consideration of the industry generally and more particularly of our mining inspectorate. Questions of safety bulk largely in the Mines Act itself and that Act is supplemented by an elaborate code of regulations, rules and bye-laws. I might mention that there are separate sets of regulations for coal mines, metalliferous mines and oil mines and that the Coal Mines Regulations alone are well over 150 in number and are under frequent revision in the light of experience. The regulations were entirely revised in 1926, and, since then, we have gone through the elaborate procedure required for their amendment on four occasions, while further regulations arising out of the report of the Coal Dust Committee are at the present moment awaiting the criticisms of the public and the interests concerned before being finally revised and issued. Quite a number of the mining regulations are made specially with a view to danger from fires. But it is impossible to foresee and still less to prevent every kind of accident. In the case of the very accident which brought the present dangers prominently before us—the Bagdigi accident—the Court of Inquiry found as follows and I should like to draw the special attention of the House to this extract from their report:

"The accident was one which the management of the Colliery did not anticipate, and we are doubtful whether they could reasonably have been expected to anticipate such an occurrence. No reversal of the air current had ever previously occurred. So far as we can ascertain, this accident was of a unique nature and appears to be unprecedented."

It is, I think, true, that if the recommendations of the Coalfields Committee of 1920 had been accepted and had proved workable, they would have led to a considerable diminution of the danger of fires in coal mines. But although that Committee did not ignore safety questions they were viewing the matter primarily from the point of view of saving coal, and I doubt if any one working on the material then available would have been led, from the point of view of safety, to frame regulations similar to those which are now in contemplation.

The fact of the matter is that the position has in recent years been changing. A much larger amount of coal than formerly is standing on pillars, fires have become more frequent and more extensive; and, unless we can frame adequate safety measures coal-mining, particularly in certain areas, will tend to become a much more dangerous occupation than in the past. I recognise that the steps which we contemplate taking are not likely to be entirely adequate; but they represent the steps which, in the light of all the expert advice and experience at our command, appear to be wise and urgently necessary; and as I have already said, I hope that we shall shortly be in a position to review the whole situation and to take more comprehensive measures for ensuring the safety of those who labour in this industry. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, be referred to a Select Committee, consisting of Mr. V. V. Giri, Prof. N. G. Ranga, Mr. Ram Narayan Singh, Quazi Muhammad Ahmad Kazmi, Mr. M. Ghiasuddin, Khan Sahib Nawab Siddique Ali Khan, Mr. N. C. Chunder, Mr. G. Morgan, Mr. N. M. Joshi, Mr. A. J. Dash, Sir Abdul Halim Ghuznavi, and the Mover, with instructions to report on or before the 14th April 1936, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, it is a matter of great satisfaction that the Government of India have introduced this Bill and propose to deal with it expeditiously and with promptitude. The Honourable Member in charge of the Department of Industries and Labour has asked the House to co-operate with him in passing this Bill without delay. So far as it lies in my power, I shall give him my heartiest co-operation, and, as a mark or as a beginning of that co-operation, I assure you, I shall not make a long speech this afternoon. The Honourable Member has traced the history of this Bill, how the fires began to appear in the coal-fields at Jharia and how recently three disastrous accidents took place—the accident at Bagdigi, Joktiabad and Loyabad. He also

[Mr. N. M. Joshi.]

described to us what happened at the Conference which the Government of India held last month. The Honourable Member did not like the criticism which had appeared in some papers that the Government of India should have taken the steps, which they are taking today, earlier. I think the Honourable Member was a little too hard on his critics. I personally feel that there is some justification for the criticism which has appeared regarding the conduct of the Government in this matter. The fires in the coal areas had begun to appear in 1925; and the Honourable Member himself stated that at present there are about 47 fires in 29 collieries. The Government of India should certainly have taken steps earlier; and if the critics say that it is these accidents that have compelled the Government to give their attention to this matter, I think the critics are not quite unjustified.

There is some provision in the Bill for the establishment of rescue stations and for making provision for rescue work. Suggestions for this kind of work have been made long ago. Dr. Penman, the present Chief Inspector of Mines, himself wrote a paper some years ago, and another gentleman also, who is interested in coal mining, has also written a paper and made suggestions that rescue stations should be established. I, therefore, feel, Sir, that the Honourable Member-in-charge should not have been hard upon those critics who have stated that these steps should have been taken a little earlier. There is absolutely no doubt that the accidents at Loyabad and other places have at least expedited the consideration by Government of this very serious question. I do not wish to deal with the detailed provisions of this Bill except to say that I do not approve of the limitation of two years which the Bill proposes for the continuance of the power which the Chief Inspector of Mines and other Inspectors are to be given under section 2 of this Bill. I feel, Sir, that to assume that the fires will cease within two years is an unwarranted assumption. The fires have continued for 10 years, and to say that simply because we have started taking measures now that the fires will cease within two years is, I think, not justified. I would therefore like the Government of India to remove that limitation. If after 2 years we find that the fires have ceased, then certainly the Government of India can introduce a measure for the repeal of this section if that repeal is necessary. I do not wish to speak anything more about the details of this Bill, but I may be permitted to make a few general remarks upon the question of safety in mines. Sir, the work of a miner is the most dangerous work of all kinds of industrial work, and it is our duty, and it is the duty of the Government also to give constant attention to the subject of safety of those who work underground. The Honourable Member just stated that the Government of India is not going to be content with the introduction and passing of this Bill, but the Government of India propose to appoint a Committee to investigate the whole problem of safety in mines. In this connection, Sir, I would like to make one or two suggestions to the Government of India. My first suggestion is that the Committee to be appointed should not only consist of experts but it should be a representative one. My second suggestion is that the terms of reference to this Committee should be very wide, including the whole aspect of safety in mines. I suggest that the Committee should be a representative one for this reason that, if the Committee consists of experts, it is not likely that the Government of India would appoint any representative of the miners on it. I am anxious that the Committee which will investigate the problem of safety in mines should have on it some representation of the miners who work in Indian mines. It may be said, Sir, that these miners in India are ignorant and illiterate people and they may not be able to do much useful work on the Committee. Sir, I take a different view in this matter. I feel that although the Indian miners may not be educated, still the miners work in the mines for several years, some of them work in the mines for their lifetime, and I have no doubt that they learn something by their experience, and they can make some useful suggestions. Secondly, if I have to choose a man to consider the problem of safety, I would first see what is the interest of that man in safety. The miner's interest in the safety of mines is the greatest; he is more interested in the safety of the mines than even the mine owner. I would certainly prefer a man who has the greatest stake in this subject, though not with sufficient knowledge, to a man who may not be interested in safety but who may possess full knowledge of the subject of safety. I would therefore suggest to the Government of India that they should not treat with contempt the experience which the miners may have as regards this subject. Moreover, whether they have knowledge or not, they are the most interested party in the matter of safety. I would like the Government to give sufficient representation to the miners on the Committee that may be appointed. Then, Sir, I would like the Government of India to make the terms of reference very wide. From the speech of the Honourable Member, he himself feels that the whole subject should be investigated. There are some matters which lead directly to accidents, but there are also many other indirect things which lead to accidents. So far as my feeling goes, I have no doubt that even questions like low wages and long hours have some bearing upon accidents. If people are not paid well and you find hungry men going below mines they sometimes make mistakes. Similarly, if the hours of work are very long, the man may not be able to discharge his responsibilities well and he may make a mistake which may lead to an accident. I, therefore, feel that when this subject of safety in mines is to be investigated the investigation should not be confined to fires only or to direct causes of the accidents or dangers in mines, but also the indirect causes should be investigated. I do not possess technical knowledge of the subject of safety in mines. I have not learnt much of chemistry, or of physics, or of mechanics. I would therefore leave those matters to experts, but I would like to say that in some respects we are progressing too slowly, such as, in the matter of making use of safety lamps compulsorily. At present unless the Inspector himself observes gases the use of safety lamps is not made compulsory. I think the safety lamps are not so costly that we should hesitate to make their use compulsory. Then, in view of the fact that in the accident that took place in the Joktiabad colliery some women were killed, I would like the Government of India very seriously to consider whether they should not immediately stop the employment of women underground. I know that the Government of India have agreed to stop the employment of women by stages, and perhaps in three or four years the employment of women underground may be stopped. But I would like them now to consider, in view of the accident where the lives of women were involved, whether the Government should not take immediate steps to stop the employment of women underground. I would make one or two remarks also as regards rescue stations which are proposed to be introduced under clauses of this Bill. I would like the

[Mr. N. M. Joshi.]

Government of India, when they decide to establish rescue stations, to see that these rescue stations are manned with an adequate number of men, and Government should make provision for the proper training of these men. Also they should not hesitate to spend money on the proper equipment of the apparatus for the rescue stations. There are not many matters on which I would like to say much on this occasion, but there is one remark which I would like to make. Going through the Reports of the Committees of Enquiry, I find that both the Committees have found certain irregularities, especially the Committee that sat on the accident that took place at Joktiabad.

The Honourable Sir Frank Noyce: I may tell my Honourable friend that that accident was not due to fire. It was due to the use of a particular explosive, which is quite a different matter.

Mr. N. M. Joshi: I am making a general remark on safety in mines. What I would like to see is that the regulations are properly observed. The Committee of Enquiry has pointed out several irregularities in the matter of Joktiabad colliery. I would, therefore, suggest to the Government of India that they should see that their Inspectorate is sufficiently strengthened so that the mines will be inspected often, and secondly, the Government should take prompt steps to deal with those people who are responsible for the irregularities. With these remarks I support the motion made by the Honourable Member.

Mr. B. Das (Orissa Division: Non-Muhammadan): I welcome this measure and on behalf of this side of the House I assure co-operation to the Honourable Member for Industries and Labour. What I welcome most is his announcement that in the cold weather there will be an expert Committee to go into the whole problem of accidents and the wastage of coal in coal-mines which particularly upsets the mine owners, whether they are Indians or Britishers. My Honourable friend, Mr. Joshi, pleaded with his usual pertinacity that the miners should be represented on that Committee. I would suggest that the Committee should be a representative one, and I would concede to the miners their representation. But I would urge on the Government, on behalf of the coal mine-owners, that the coal mine-owners should be represented on that Committee. The experts, however expert they may be, must have the guidance of practical mine-owners in the Committee, so that they may recommend things that can be given effect to and may not remain as only paper recommendations.

My Honourable friend, Sir Frank Noyce, has gone into the causes of accidents. He particularly referred to depillaring. Depillaring has been going on, not only in the old mines, but also in the new mines. I know of one mine owned by Government themselves, the Bengal Nagpur Railway Talcher Coal fields, where depillaring is going on, although the mine is a new one, simply because the Railway had some difference with the owners of coal fields—the Talcher coal fields. That is a bad thing and I am glad the Government have decided at last that they should have some control over depillaring. My Honourable friend alluded to the explosive nature of the atmosphere in the mines, collieries and pits. According to the reports that have been produced by the two Committees appointed by the Government of Bihar and Orissa, at one place the explosion was due to collapsing, fire getting into the atmosphere where, somehow, the reverse process of air came into operation owing to rains outside and the fire set in. At the other place, that is, the colliery at Jharia coal fields, they were using liquid oxygen cartridges and the Committee says that those cartridges took fire. The present Chief Mining Expert and his staff are there all the time visiting these mines. They have not yet realised or appreciated that the present practice of working the mines is wrong. So, the mere framing of regulations will not regulate or control unless the regulations are strictly adhered to and they are framed in such a way that the mine-owners can give effect to these things. I would, therefore, suggest that the regulations should be so framed that they should limit the depillaring. They should regulate the volume of fresh air in the mines. Of course certain mines now have no statistics in their offices about the regulation of air. In one mine there was measurement of air. In the other mine there was no measurement of the volume of air that has been blown in. Wherever explosive substances are to be used for working the coal mine, Government should insist on the regulation that a certain amount of air should be injected into those mines and there should be measurement kept both as regards the intake and the outlets.

Then, Sir, both the committees have talked about the presence of dry coal dust. At present there is no scientific method of checking the amount of coal dust prevailing in the atmosphere underneath the ground in those mines, where explosive substances are used for working those mines. There may not be scientific instruments to measure the amount of coal dust but the regulations should be so made as to control the amount of coal dust in the air. One method of controlling is that the atmosphere should be kept wet. If the atmosphere is dry, then the regulation should be such that a certain amount of water is thrown into those galleries and pits, so that atmosphere gets wet and much coal dust does not fly about. That is an aspect of the thing which should be taken in hand at once.

Another thing which has been proved by one of these committees is that the explosive nature of the gases in these mine pits has not been analysed. I think that the regulation should be so framed, that there should be at least three tests, one in each shift, so that scientific tests are taken as to the explosive nature of the air where the liquified oxygen, dynamites and other explosive substances are used for working coal.

It appears that there has not been proper supervision over use of explosives in mines. As my friend, Mr. Joshi, pointed out, the miners are not chemical experts or technical experts. Government should see their way to ask these mine-owners to see that there are more technical men employed especially where liquified oxygen or dynamite is used. There should be always a technical foreman who understands the chemical nature of these high explosives. At the same time simultaneously with the promulgation of these regulations, Government should insist that every mine should have complete record in its office in the form of records, charts and log sheets about these new conditions that will be set out in the regulations. Pending the appointment of the expert committee, I would ask the Honourable Member, who also controls the Research Department and the Alipur Test House to send his chemical experts to analyse the gas in the various mines wherever fires are burning and where the explosive method of working coal mines is in vogue. That will be a very useful thing for the guidance of the expert committee that will come next winter.

[Mr. B. Das.]

Sir, I have got a note from the Indian Mining Federation where they state that they welcome these measures in order to minimise accidents in mines but they rather demur to bearing all the expenses of the rescue stations. I do not know what will be the expenses of these rescue stations. The Government want to provide rescue stations at Jharia, Raneegunje and one other place. If the expenses are high, probably the mine-owners will demur. These Indian mine-owners are not very affluent, their mines are working in many instances at a loss and the capital they have invested is poor and probably they will not be able to pay the cess on production basis that the passing of this measure will involve and, if the mine-owners plead that they cannot pay the requisite amount and if it be required to have proper rescue stations or even to carry out preliminary scientific analysis of the air conditions in mines or even to give effect to those suggestions which my Honourable friend, Mr. Joshi, made, I think, for the sake of humanity, in the interest of the workers in the mines, where people live and work from eight to twelve hours, in conditions of darkness and have very little fresh air, Government should themselves make a grant to carry out these experiments—these rescue stations and chemical experiments, and, as for myself, as a Member of this House, I will support any such humanitarian expenditure. With these words, I support the motion for the Select Committee.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): After 16 years of delay, the Government of India have come forward with this proposal to increase safety in mines in the interests of the workers. The Coalfield Committee of 1920 suggested that steps should be taken to increase the safety of workers in mines, and yet the Honourable Member for Industries and Labour thought it fit to take to task certain journalists who had complained that Government had been moving too slow in this matter. Although we are very anxious to see that this Bill becomes law as soon as possible, I am obliged to ask the Honourable Member for Industries and Labour to extend the date by which the Select Committee has to report to this House, in view of the fact that some members of the Independent Party and several of us in the Congress Party are obliged to go elsewhere to attend our respective conferences till the 15th morning. I, therefore, request the Honourable Member in charge of this Bill to fix his meeting of the Select Committee any time between the 15th and 20th, so that it would be possible for us all to attend the meetings of the Select Committee. Sir, I learn that you have the right to suspend the last date by which the report is to be submitted to this House by seven days, and I request you to extend that date so that it will be convenient for us all.

Mr. B. Das: May I point out that a Select Committee report is to be laid on the table for seven days and then it can be taken into consideration?

Mr. President (The Honourable Sir Abdur Rahim): That question does not arise now.

Prof. N. G. Ranga: Sir, we are to have an expert Committee to go into this question, and that is why we are told that the period for which this Bill is to carry on is fixed for two years. We know how these expert Committees work and how soon or how slow the Government usually are to act on the recommendations of these expert Committees. I do not wish that this particular provision of two years should be kept at all, and I would rather that Government should accept the suggestion made by my Honourable friend, Mr. Joshi, that no such fixation of the period should be insisted upon. I am also in favour of the representation of the various interests of the miners and mine-owners on this Committee which is to be appointed to go into this whole question of safety in the mines and the conditions of work in the mines. If any experts are to be brought from England at all, I would like the Government of India to bring some representatives of the Miners' Federation in Great Britain, so that we would have amongst the ranks of those experts those who have had an expert knowledge of the working of mines as miners themselves and their representatives. In regard to these restrictions, I would like to know whether Government would like to take into consultation the mine-owners only or the miners also. I am particularly anxious that the miners should be taken into as full a consultation and co-operation as possible. I know Government usually are partial to employers, as has been seen in the procedure which they followed in convening that Conference of mine-owners which they consulted in framing this particular Bill when they invited two representatives from the employers and one from the miners, and if such a procedure is to be followed hereafter also in connection with the establishment of these rescue stations and in connection with the organization of these Mining Boards in different areas, I am afraid much injustice will be done to the workers themselves. I, therefore, hope that Government will keep in mind the necessity of broadening the terms of reference to this particular Committee and also getting to serve on it representatives both of miners and mine-owners in equal strength.

Some Honourable Members: The question may now be put.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I won't take more than five minutes,—I want to speak not with respect to the subject-matter so much as to the way in which this Bill has been introduced and the manner in which some provisions which in some respects are to have the force of a Statute are sought to be introduced behind the back of this House, so that we do not know as to what exactly is going to be done. The Bill has been introduced only just now and it is sought to rush through all the usual formalities. Sir, I have absolutely no objection to the Bill being enacted into law, with suitable modifications and safeguards. But no opportunity is given to the mine-owners or the workers in any event to make a representation. My friend, Mr. Joshi, has said that he himself is not an expert and not one of the members of the Select Committee has any intimate knowledge of the working of mines or the dangers for which provision is sought to be made in this Bill or in the regulations that are being sought to be made by virtue of this Bill. My second serious objection is to the giving of power for these regulations forming part of a Statute and having the force of law for a period of two years. I am surprised that my friend, Mr. Joshi, said that it ought to be made immediately perpetual in operation or to have the force of law for all time to come. Government has seen through the difficulty of clothing the Inspector of Mines with that power and they

[Mr. M. Ananthasayanam Ayyangar.]

come forward with the proposal that for two years these should have the force of law. I find from the Mines Act that some rules can be framed by the Governor General, a second set by the Governor, a third set of rules can be framed by the Inspector and a fourth set of rules can be made by the owners of mines, without any of those regulations being placed on the Table of this House or without any opportunity being given to this House to approve them or not and without this House being given any opportunity of knowing exactly what is being made part and parcel of the Statute. Section 31 (*4*) says that whatever rules and regulations are framed, they should be published in the Gazette of India and, after such publication, they shall have effect as if enacted by this Bill. Therefore, before we agree to clothing the Inspectors with the power to frame rules which will certainly be part and parcel of the Act, one has to seriously consider what exactly they are doing in our name and on our behalf. Even the Honourable Member in charge may not know directly the full situation and he may leave it, owing to the pressure of work, to the last person who may be in charge of this Department. Under these circumstances, I think, the Select Committee should ask that suitable provision should be made to place those regulations, after they are made, on the Table of this House for a period of time, so that Members may get themselves acquainted with the inconveniences and so forth. Another point is that I find, under some regulation under this Bill, power is sought to be taken to get over certain formalities, which formalities are now observed under the existing Act by referring to the various Mining Boards and other authorities with regard to the suitability or the desirability of the various rules and regulations. Under clause 5 of the present Bill the necessity to refer to Mining Boards is dispensed with and that is for a period of two years. I wonder if the necessity to refer to these Mining Boards is intended to be dispensed with in order that suitable effect should be given to the desire of my Honourable friend, Mr. Joshi, and also my Honourable friend, Professor Ranga, and, if it is their intention to see that the Mining Boards might be left out of consideration and they need not be referred to at all with respect to the rules and regulations to be framed. Under clause 5, those rules and regulations shall have effect for not more than two years. I, therefore, say that it is not proper that behind the back of these Mining Boards these rules and regulations should be framed. I would say that the period proposed should be restricted to three months, within which a Mining Board should be consulted, and if they have any objection, that should be sought to be removed. I would, therefore, say that if our vote is sought for a legislation of this kind, we should certainly have an opportunity to apply our minds to the various rules and regulations sought to be framed, though, if there is an emergency, certainly it would be necessary to clothe the person in charge of the administration with certain exceptional powers, but that should be the exception and not the rule. With these observations I would conclude my speech with the hope that these points would be taken into consideration in the Select Committee and during the passage of the Bill.

The Honourable Sir Frank Noyce: Sir, I do not propose to detain the House long. I should like to thank the House most warmly for the co-operation that I have received in expediting the passage of my motion.

My Honourable friend, Mr. Joshi, has as usual, covered a very wide field, but at this late hour, I propose to confine myself to one important point he raised, and that is the limitation of two years that we have included in the Bill in regard to clause 2. My Honourable friend, Mr. Joshi, asked whether we expect these fires to be extinguished within two years, and if not, why this clause would only be in operation for that period. I very much wish that I saw any prospect of the fires being extinguished within two years or even in twenty years. The reason why the clause is to be operative for two years only is simply this. We hope to have the position reviewed by an authoritative Committee which will recommend to us the permanent measures that we should adopt. The measures we propose to include in the regulations we frame under the powers which the House will, I trust, give us in the course of the next few days, are purely temporary. It is true they have support from the representatives of all the interests concerned, employers, their mining experts and labour, but still they have been somewhat hastily considered and although they are based on the best expert advice that we could get, we are not quite sure whether they will meet the case. We want the whole question examined from the widest point of view, the point of view which my Honourable friend himself advocated. We want the whole question of safety in mines investigated and based on a proper basis. That is the reason why we are confining the operation of clause 2 to a two-year period.

If I heard my Honourable friend, Mr. Ayyangar, quite correctly, he also raised the same point and thought that if the measures to be adopted are only to be put into force for two years, why have them at all? That, if I may say so, is a somewhat curious point of view in view of the concern with which the House generally has regarded these accidents and its obvious desire that all possible steps should be taken to prevent their recurrence.

My Honourable friend, Mr. B. Das, raised various technical questions. He was talking from an expert point of view, in language which I am afraid was above my comprehension. I can only regret very much that the Select Committee is not to have the benefit of his presence, but I can assure him that his suggestions will be carefully considered as soon as I get them in print.

One point in conclusion. My Honourable friend, Prof. Ranga, complained that we were hurrying our Select Committee. I have explained the reasons for that. I explained that if we are to get this Bill through this Session, it is necessary to have a meeting of the Select Committee this week-end. I very much regret that he finds himself unable to achieve the miracle of being in two places at once. I would suggest that if he finds greater attractions elsewhere, another name from his Party might be substituted for him. If that is not done, I do not think it possible to ensure the passage of this Bill this Session and I am quite sure that, from the views expressed in this House this afternoon and previously, it is the desire of the House to get the Bill through this Session. I do not think it is possible to postpone the date by which the report of the Select Committee should be presented to this House. I would again thank the House once again for the support.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): In view of the date suggested for the presentation of the report of the Select Committee, may I make a statement? It is not that the Honourable Prof. Ranga alone will not be able to attend the Select Committee meeting. Besides Prof. Ranga, other Honourable Members also will not be able to attend. There is the Honourable Mr. Ram Narayan Singh and also the Honourable Qazi Muhammad Ahmad Kazmi who will not be able to attend.

Mr. President (The Honourable Sir Abdur Rahim): They must have all been consulted before their names were included in the Select Committee.

Mr. S. Satyamurti: The names were given by the Party, I agree. We are quite willing to accommodate the Government in any reasonable manner. We can meet tomorrow morning We are willing to support you if you are so pleased to suspend the Standing Orders with regard to the number of days during which the report of the Select Committee should be placed on the Table of the House.

Mr. President (The Honourable Sir Abdur Rahim): That will arise only when the Report of the Select Committee is presented.

Mr. S. Satyamurti: We are willing to co-operate in seeing the Bill placed on the Statute-book, as early as possible. I do ask my Honourable friend to consult the convenience of so many Members of the House, and see if he cannot come to some reasonable arrangement which, without inconvenience to either side, will help to achieve the object we all have in common, namely to get this Bill on the Statute-book as early as possible.

The Honourable Sir Frank Noyce: I am sorry I am not quite clear, what is the concrete suggestion which my Honourable friend makes?

Mr. S. Satyamurti: I would suggest that the Select Committee meets tomorrow morning before the House meets here, and do some work and possibly meet tomorrow evening after the House rises. Unless there is any very big point of controversy, the Select Committee should be able to finish its work in one or two sittings. I suggest that.

The Honourable Sir Frank Noyce: I need hardly say that I accept my Honourable friend's suggestion with great cordiality, and I am prepared to meet his wishes.

Mr. President (The Honourable Sir Abdur Rahim): The suggestion is that the Select Committee should meet tomorrow morning?

Mr. N. M. Joshi: My Honourable friend, Mr. Giri, and myself are engaged in the Railway Board meeting tomorrow morning, and, therefore, it will neither suit me nor Mr. Giri to meet in this Select Committee tomorrow morning.

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot help in this matter. Perhaps the Honourable Member, Mr. Satyamurti, will correspond with the Government Member and settle the matter.

Mr. S. Satyamurti: I would suggest to my Honourable friend that we shall try to meet tomorrow morning. Instead of the 14th April, can it be the 16th April? We shall not take advantage of the fact of the change of date, in order to put it off still further.

The Honourable Sir Frank Noyce: Yes, Sir. I am very willing to accept the suggestion that the Select Committee Report may be presented on the 16th April.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member want to amend his motion?

The Honourable Sir Frank Noyce: Yes, Sir. With your permission, I should like to amend the date to 16th April.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member the leave of the House to amend the motion by substituting 16th for 14th?

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

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, be referred to a Select Committee consisting of Mr. V. V. Giri, Prof. N. G. Ranga, Mr. Ram Narayan Singh, Quazi Muhammad Ahmad Kazmi, Mr. M. Ghiasuddin, Khan Sahib Nawab Siddique Ali Khan, Mr. N. C. Chunder, Mr. G. Morgan, Mr. N. M. Joshi, Mr. A. J. Dash, Sir Abdul Halim Ghuznavi and the Mover, with instructions to report on or before the 16th April, 1936, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 9th April, 1936.

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